MANGAUNG METROPOLITAN MUNICIPALITY

ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY FRAMEWORK

Prepared by Office of the City Manager: IDP and Organisational Performance

2020

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Definitions

Baseline	Quantitative and/or qualitative level of performance as at the beginning of the monitoring period that the institution aims to improve on. It is the initial step in setting performance targets in most instances would be the level of performance recorded in the year prior to the planning period.
Monitoring	Involves the continuous collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management and continuous improvement in performance.
Evaluation	A process that critically examines a program. It involves collecting and analysing information about a program's activities, characteristics, and outcomes. Its purpose is to make judgments about a program, to improve its effectiveness, and/or to inform programming decisions.
Key Performance Indicator	Measures (qualitative and quantitative) that whether progress is being made towards achieving set objectives.
Input indicators	An indicator that measures equipment, resources, economy and efficiency.
Output indicators	An indicator that measures results.
Outcome Indicators	An indicator that measures the impact of reaching the target.
Outcomes -led Planning	Means planning backwards from the outcome that needs to be achieved. It starts with the identifying the outcomes that need to be achieved to improve the lives of people/ communities, and then working back the results-chain to determine what outputs will ensure the outcomes are achieved, what activities are required, and what resources are needed
Performance targets	Quantifiable levels of the indicators or milestones an individual or organisation sets to achieve at a given point in time.

Acronyms

AGSA	Auditor General South Africa
IDP	Integrated Development Plan
KPA	Key Performance Areas
KPI	Key Performance Indicators
LED	Local Economic Development
MEC	Member of the Executive Council
MFMA	Municipal Financial Management Act
MSA	Municipal Systems Act
MTEF	Medium Term Revenue and Expenditure Framework
PMS	Performance Management System
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
SFA	Strategic Focus Area
SMART	Specific, Measurable, Achievable, Realistic, Time-frame

1.   Executive Overview

The Municipal Systems Act 32 of 2000 requires that a municipality establish a performance management system that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in its integrated development plan.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."*

The purpose of the Organisational Performance Management Framework, is to establish an effective performance measurement tool that will be used to monitor the performance of Mangaung Municipality on a quarterly and annual basis. This process will aid in tracking progress in achieving the strategic developmental objectives as per the Municipality's Integrated Development Plan which are:

➢   **Spatial Transformation**: *Implement an integrated and targeted strategy that transforms the spatial and economic apartheid legacy of Mangaung.*
➢   **Economic Growth**: *Boost economic development in Mangaung by strethening organisational performance.*
➢   **Service Delivery Improvements** : *Strengthen service delievery as a top priority for economic growth.*
➢   **Financial Health Improvements** : *Implement a financial recovery plan tha rebuilds financial growth.*
➢   **Organisational Strength**: *Strengthen the organisation – the heart of it all*

The document will be utilised as a Performance Monitoring guide for Councillors, members of the management team and officials at Mangaung Municipality. This framework is also applicable to the Entity of the Mangaung Municipality (CENTLEC).   Its purpose is to ensure the standardised implementation of the Organisational Performance Monitoring process. It should be used by all officials for the development of the service delivery and budget implementation plan (SDBIP), as well as for training on Organisational Performance Monitoring.   Other stakeholders, which will include the commsub-directoratey can utilise this framework for insight on the organisational performance monitoring process

The framework further responds to legislative requirements and includes: performance planning, monitoring, reporting, and auditing.   It also outlines roles and responsibilities and capacity building. The linkage between the IDP, SDBIP, Budget, Annual Report and Individual Performance Monitoring is also clarified in the document.

2. Objectives of the Policy

The primary ojective of this policy is to give effect to the performance management system, as prescribed in chapter 6 of the Municipal Systems Act and the 2006 and 2014 MSA regulations. The Organisational Performance Management Policy seeks to achieve the following :

➢   Translate the municipality"s vision, mission and IDP into clear measurable outcomes, indicators and performance levels that define success and that are shared throughout the municipality and with the municipality"s customers and stakeholders.
➢   To clarify institutional goals and priorities

- ➢ To ensure a continuous cycle of planning, coaching and feedback
- ➢ Ensure the implementation of the plans and programmes
- ➢ Provide a tool for assessing, managing and improving the overall health and success of business processes and systems.
- ➢ Create a culture of accountability and best practice
- ➢ To improve and monitor service delivery – how well an institution is meeting its aims and objectives, which policies and processes are working
- ➢ To provide early warning signals and enable continuous enable learning and improvement
- ➢ To promote community participation in local governance.

3. Scope of application

This framework is also applicable Mangaung Metro Municipality and CENTLEC (Municipal Entity of the MMM)

4. Legislation and Policy Overview

The policy has been aligned with and reflects the provisions in the following legislation and policy prescripts:

- ➢ Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996) (Chapter 7, Section 152);
- ➢ The White Paper on Local government (1998)
- ➢ Local Government : Municipal Systems Act, 2000 (Act 32 of 2000);
- ➢ Local Government : Municipal Planning and Performance Management Regulations, 2001;
- ➢ The Municipal Finance Management Act, 2003 (MFMA);
- ➢ Local Government: Municipal Finance Management Act 2003 – Municipal budget and reporting regulations.
- ➢ Local Government: Municipal Performance Management Regulation for Municipal Managers and Managers directly accountable to Municipal managers, 2006;
- ➢ Labour Relations Act, 1995 (Act 66 of 1995);
- ➢ Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (Chapter 3, Section 19)
- ➢ The National Development Plan
- ➢ The National Evaluation Policy Framework (2011)
- ➢ Government Wide Monitoring and Evaluation Framework.
- ➢ The MFMA Circular 11: Annual Reports
- ➢ MFMA Circular 13: SDBIP
- ➢ MFMA Circular 32: Oversight report
- ➢ MFMA Circular 88: Municipal Circular on Rationalisation Planning and Reporting Requirements for the 2018/19 MTREF

5. Understanding the need for monitoring

At the beginning, an understanding of monitoring is important. This section clarifies the concept of monitoring and the need for monitoring thereof.

5.1 Defining Monitoring

According to the Policy Framework for the Government-wide Monitoring and Evaluation System (2007) monitoring "involves collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors in a way that supports effective management. Monitoring aims to provide managers, decision makers and other stakeholders with regular feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected. "

Monitoring is an ongoing process to determine whether performance targets have been met, exceeded or not met. Monitoring provides management and other stakeholder with regular feedback on identified major or systematic blockages, and therefore serves as an early warning signal identifying challenges in meeting the IDP strategies. It usually reports on actual performance against what was planned or expected. It occurs on quarterly and annual basis.

5.2. Key Characteristics of monitoring include:

➢ Keeps track, oversight, analyses and documents progress on project implementation;
➢ Focuses on inputs, activities, outputs, implementation process, continued relevance, likely results at outcome level;
➢ Provides what activities were implemented and results achieved;
➢ Alerts managers to problems and provides options for corrective actions; and
➢ Self-assessments by project managers, supervisors, and commsub-directoratey stakeholders.

5.3 Why is monitoring important?

Monitoring is important because:

➢ It provides a consolidated source of information on project/programme progress and its effectiveness;
➢ It promotes transparency through written reports (Service Delivery and Budget Implementation Plan (SDIBP);
➢ It promotes accountability to the Integrated Development Plan (IDP) Stakeholders;
➢ It provides data for future resource planning and improves decision-making;
➢ It exposes performance gaps and proposes strategic improvements;
➢ It serves as an internal learning tool amongst performance stakeholders sharing experiences and building on expertise and knowledge; and
➢ It adds to the preservation and development of institutional memory.

5.4 The Benefits of Performance Monitoring

Organisational Performance Monitoring is advantageous to a municipality as it:

➢ Identifies major or systematic blockages and guides future planning and developmental objectives and resource utilisation in the municipality
➢ Provides a mechanism for managing expectations and ensuring increased accountability between residents of a municipal area and the political and administrative components of the municipality
➢ Provides early warning signals to identify challenges in meeting the IDP strategies.
➢ Provides appropriate management information for informed decision making

6. Key factors underpinning the success of Performance Monitoring

In order to ensure the success of the Performance Monitoring System, the following has been identified as areas which need emphasis:

➢ Top Management and Council to drive the system;
➢ The Municipality's Integrated Development Plan to be communicated Municipal-wide;
➢ A need for clarity regarding the strategy of the Municipality to inform the objectives of the organisation, each sub-directorate and each employee;
➢ Channels of communication need to be put in place;
➢ A clear understanding and appreciation of the value of having a performance monitoring system;
➢ Employees understanding of the context of their work in achieving the organisational objectives;
➢ Performance Monitoring should be considered as an ongoing process as opposed to a quarterly/annual event when reporting is required.

From the above mentioned key areas underpinning the Organisational Performance Monitoring System, the link between the Integrated Development Planning Process is critical and will be described below.

6.1 Integrated Development Plan (IDP)

An integrated Development Plan is an inclusive and strategic plan from the development of the Municipality, which links, integrates, co-ordinates cluster plans, aligns resources and forms the framework on which annual budgets must be based.An IDP is a 5 –year plan that is synchronised with the local government electoral period. The IDP is reviewed on an annual basis and should meet the following phases:

➢ In-depth analysis of the existing conditions within the municipality;
➢ Development of strategies to address the issues identified during analysis;
➢ Design of projects to implement strategies;
➢ Integration of the strategies, and
➢ Approval of the IDP by the council (DPLG, 1988);

The adopted Integrated Development Plan is the principal policy that guides all planning, management, investment, development and implementation decisions taking into account input from all stakeholders.

The IDP is informed by international, National and Provincial Development Strategies and reflects:

(a)   the Municipal Council's vision for the long-term development of the Municipality
(b)   an assessment of the existing level of development
(c)   the council's development priorities and objectives
(d)   the council's development strategies
(e)   a spatial development framework
(f)   the council's operational strategies
(g)   disaster management plans
(h)   a financial plan
(i)   the key performance indicators targets

In terms of Section 34 of the Municipal System Act, 2000:
A Municipal Council must review its Integrated Development Plan –

(i) *annually in accordance with an assessment of its performance measurements;*
(ii) *to the extent that changing circumstances so demand; and may amend its IDP in accordance with the prescribed process.*

The relationship between IDP and Organisation Performance Management is therefore legislated and regulated and is illustrated below in Table 1 below.

IDP Process	OPM Process
Process plan advertised on the website, local press and on notice boards	Ensure inclusion of key deadlines for Performance Monitoring in IDP Process Plan
Strategic issues Workshop with senior Municipal officials	Ensure that identified strategic issues are reflected in the SDBIP
Prepare first draft of IDP based on Strategic Issues Workshop	Submit the SDBIP to IDP Office for inclusion in the IDP
Prepare second IDP draft based on public comments	Ensue the SDBIP in the IDP is updated according to public comments, where applicable

Table 1. Relationship between IDP and Performance Monitoring

The IDP process and the performance management process are seamlessly integrated. The IDP fulfils the planning stage of Performance Management and Performance Management fulfils the implementation management, monitoring and evaluation of the IDP process. The Performance Monitoring System serves to measure the performance of the municipality on meeting its Integrated Development Plan.

6.2 Service Delivery Budget Implementation Plan (SDBIP)

The SDBIP gives effect to the implementation of Integrated Development Plan and budget of the Municipality. The budget gives effect to the strategic priorities of the municipality. The SDBIP therefore serves as a "contract" between the administration, council and commsub-directoratey; expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months in the form of annual performance agreements, commonly referred to as Individual Performance Plan (IPPs).

This provides the basis for measuring performance in the provision of municipal services against end-of-year targets and implementing the budget as illustrated below:
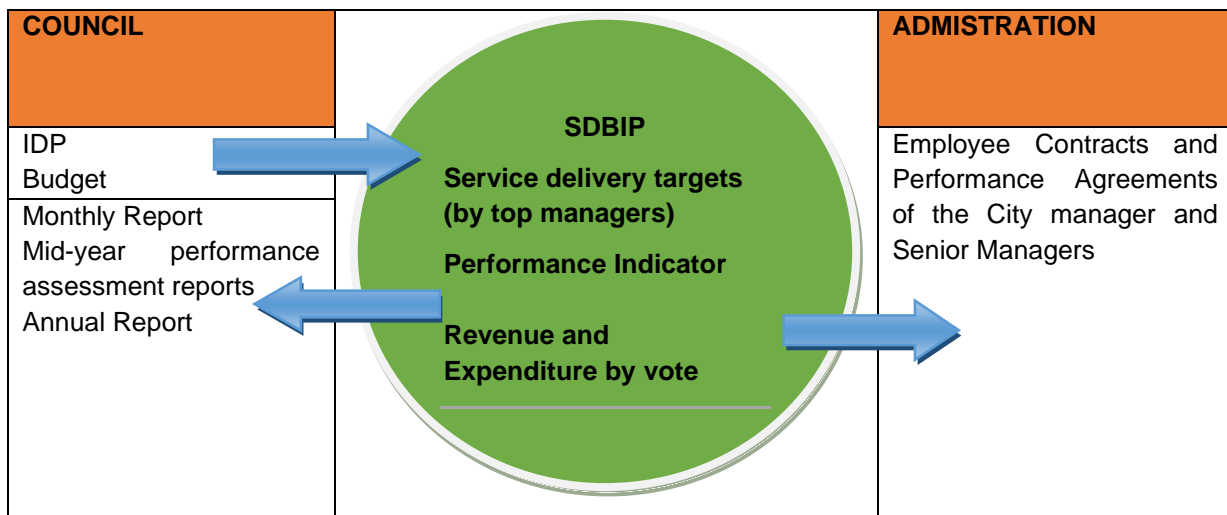
COUNCIL		SDBIP	ADMISTRATION
IDP		**Service delivery targets (by top managers)**	Employee Contracts and Performance Agreements of the City manager and Senior Managers
Budget			
Monthly Report		**Performance Indicator**	
Mid-year performance assessment reports			
Annual Report		**Revenue and Expenditure by vote**	

Figure 1: Linkage between IDP, SDBIP and IPPs

Whilst the budget sets yearly service delivery and budget targets it is important that mechanisms are able to measure performance and progress on a continuous basis. Hence the end of year targets must be based on quarterly and monthly target and the City Manager must ensure that the budget is built around quarterly and monthly information as defined in the Municipal Finance Management Act, 56 of 2003.

According to the MFMA circular No 13 the SDBIP provides the vital link between the Executive Mayor, Council and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management implementation and monitoring tool which assists the Mayor, the Councillors, City Manager, senior managers and the commsub-directoratey in evaluating the performance of the council. A properly formulated SDBIP ensures that the appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget performance of the senior management and the achievement of the strategic objectives set by Council. The SDBIP enables the City Manager to monitor performance of senior managers, the Mayor to monitor the performance of the City Manager and for the commsub-directoratey to monitor the performance of the municipality. It is imperative to align the IDP and budget of the Municipality, as required by the MFMA, to ensure that the SDBIP is effectively implemented.

6.3 Organisation Performance Monitoring Link to individual Performance

It is important to link individual performance to organizational performance and to manage both at the same time, but separately. The legislative mandate for measuring individual performance is contained in Section 54A and 56 of the Municipal System Act, which requires that the City Manager and Managers, who report directly to the City Manager, sign performance contracts, which must include performance objectives and targets. These must be practical measurable and based on key performance indicators set out on the IDP.

Individual Performance Management is an essential process of enhancing the contribution levels of individuals to be in line with priorities, objectives, indicators and targets contained in the Municipality's Integrated Development Plan. This then serves as the catalyst for the continuous improvement of the performance of the Mangaung Municipality. The process requires that employees actively participate in identifying their own individual objectives, which is derived from the Service Delivery and Budget Implementation Plan of the municipality.

It is therefore of vital importance in the process of individual performance management to link the organisation's objectives and the objectives set for its management team. The figure below illustrates this link.

Figure 2: Link between Strategy and Organisational Performance

7.   Performance Monitoring Process and Cycle

The core elements of the Performance Management Cycle implemented by MMM is illustrated in the figure below and outlined thereafter:
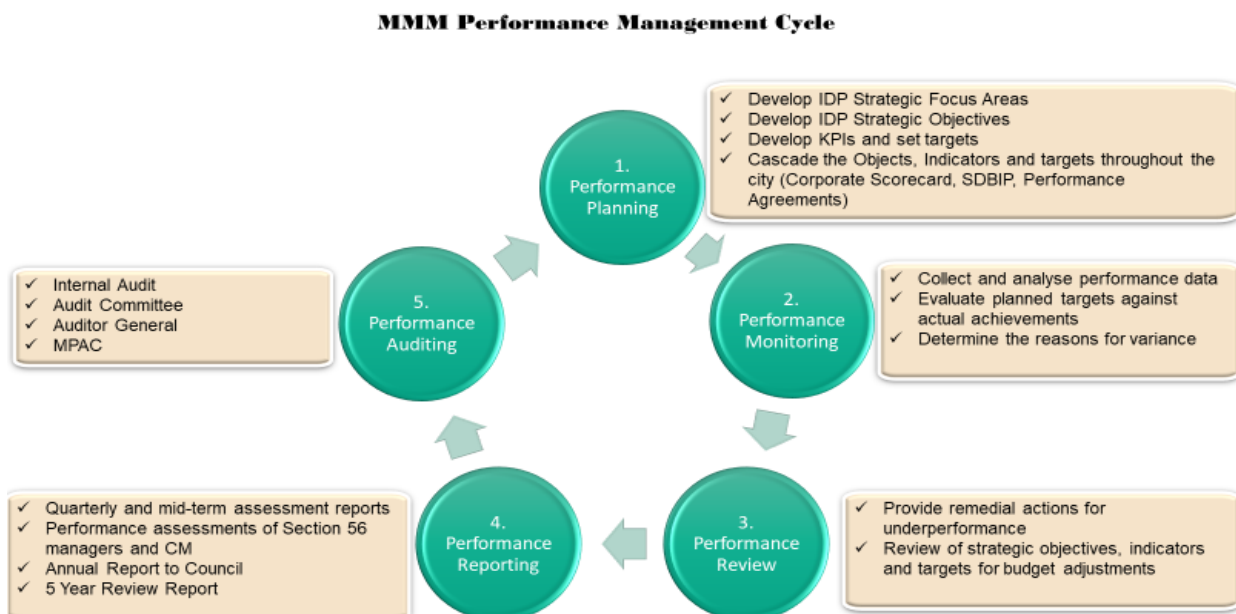

Figure 3: MMM Performance Management Cycle

7.1   Performance Planning

The first phase of the cycle is the performance planning and is aimed at ensuring that that the foundation of performance is the strategic direction encapsulated the IDP of the municipality. The IDP must outline the the development objectives and priorities of Council for the five year term as informed by community inputs and needs. The priorities and objectives contained in the IDP will guide the identification of indicators. The development of objectives should be clustered into key performance areas such as service delivery development, institutional transformation, governance and financial issues among others. The planning phase entails setting the following for the five year Council term and broken down into annual implementation phases:

a)   *Strategic Focus Areas (SFA"s):* Goals or key focus areas linked to the identified Key Performance Areas.

b)   *Key Performance Areas (KPA"s)* : KPAs are transferred directly from the IDP to the SDBIP, which then form the basis for a PMS

c)   *Key Performance Indicators (KPI"s):* The SMART principle should apply with regards to KPIs, which states that each indicator must be: *Specific*: Each KPI must be clear and concise. *Measurable*: A KPI should not be vague and general, but measurable, e.g. 'number', '%' or targets. *Achievable/Attainable*: A KPI should be within reach. *Realistic*: Can it be done taking into account constraints? *Timebound*: Can it be achieved within a certain timeframe?

d)   *Baselines :*

e)   *Targets*: Performance targets should be realistic and measurable and should correspond with available resources and capacity

The organisational scorecard emanates from the upper layer of the institutional SDBIP. These targets are then filtered through to the various directorates, which forms the basis for Section 57 performance contracts. From this level, the KPIs are further filtered down to Sub-Directorates. The process is then cascaded down in the same manner to all levels.

When planning for the new financial year the following aspects are critical:

Links

KPIs may be directly or indirectly linked to the program and projects on the SDBIP that support the achievement of the targets for the KPI. A direct link means that a calculation can be used to sum up or average out the results of projects and sub –projects to arrive at the result for the KPI. Indirect links mean that the programs and projects still need to be carried out in order to achieve the target of the linked KPI, but the results achieved for the programs and projects cannot be averaged or summed up to give the KPI target.

Where direct links exist, the KPI/project owner may decide whether the linked projects will carry and evenly distributed weight towards the KPI target or whether customised weighting applies.

If customised weights are required, the KPI/project must advise the Performance Monitoring & Evaluation Unit what these weights are.

The following is an example of both weighting types:

Even weighting		Custom weighting		
				Weighting
Project 1	20	**Project 1**	20	15%
Project 2	20	**Project 2**	20	60%
Project 3	20	**Project 3**	20	5%
Project 4	10	**Project 4**	10	15%
Project 5	5	**Project 5**	5	5%
Calculation	(20+20+20+10+5)/5	**Calculation**	(20*15/100) + (20*60/100)+(20*5/100)+(10*15/100)+(5*5/100)	
KPI target	15		**KPI target**	17.75

Table 2: Example of weighting types

KPI definitions

KPI definitions provide further detail regarding the KPI and define any of the terms that may be open to interpretation. KPI definitions must be provided by each KPI owner or their delegated representative for every KPI. If KPIs are amended during the mid-term amendment process, the KPI definition needs to be amended to reflect these changes.

Milestone definitions/Project plans

Milestone definitions provide further detail regarding the "remaining" of the target. For percentage based targets, a step by step indication of the main tasks that need to be carried out to achieve the target are provided, the weighting assigned to each of those steps and he evidence that will be provide to show that the step is complete. If targets are measured in numbers, the milestone definition provides and idea of approximately which month the number based targets will be achieved in, and the evidence that will be provided to show that the step is complete. This is a compulsory document that is used for evidence verification, for internal audit and external audit purposes.

It is important to note that steps in the project plans can be amended as the need arises with the prior approval of the relevant HOD.

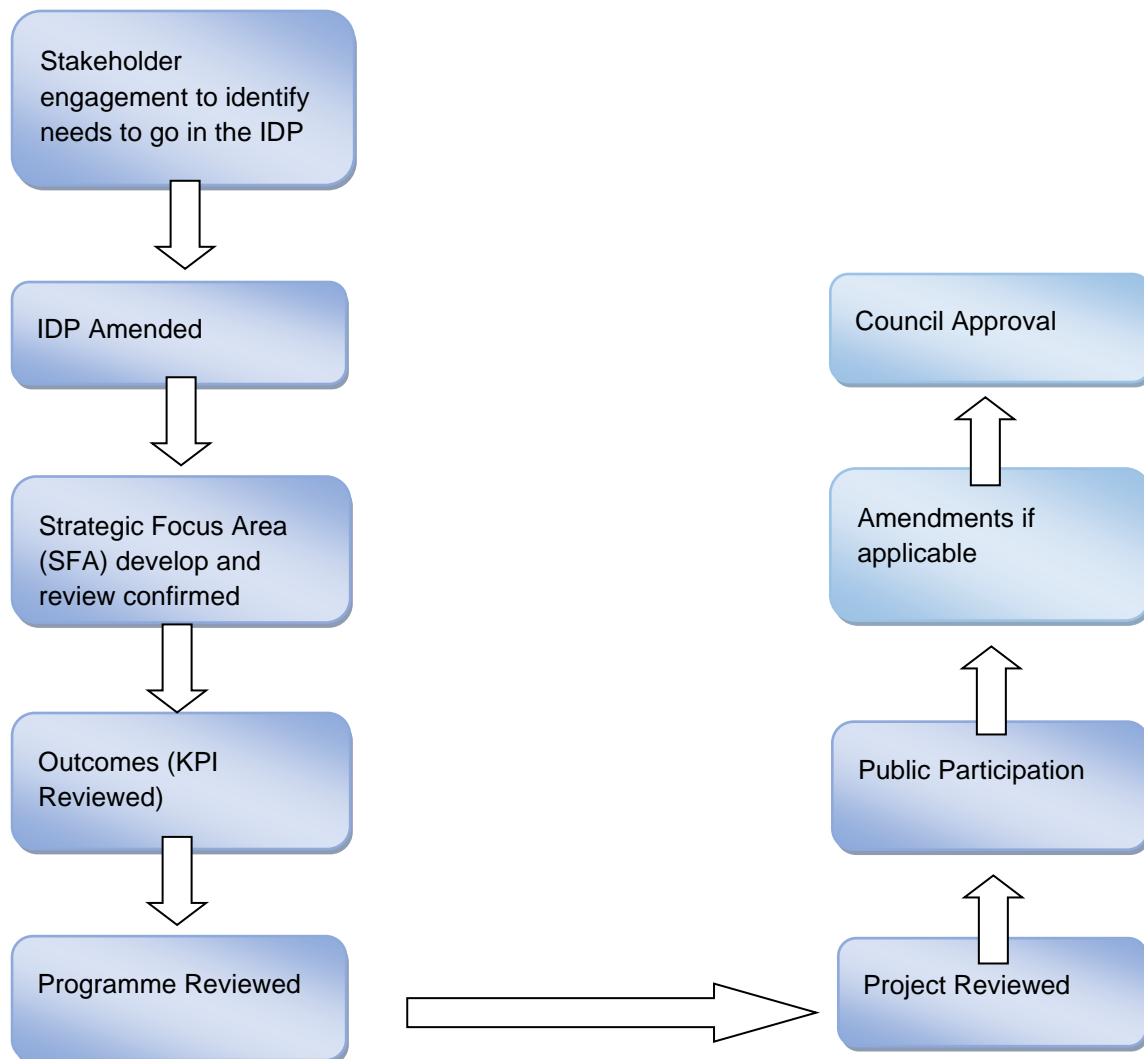The planning phase is outlined in Figure 4 below:

Figure 4: Planning phase for organisational performance monitoring

The outcomes of the Performance Planning phase must be:
- ✓ A five year Corporate Performance Scorecard,
- ✓ Departmental Business Plans,
- ✓ Annual Departments SDBIPs,
- ✓ Annual Senior Management Performance Plans (CM and Sec 56 Manager).
- ✓ Individual Performance Plans

7.2   Performance Monitoring

This phase involves an on-going process to determine whether performance targets have been met, exceeded or not met. Projections can also be made during the year as to whether the final target target will be met and it occurs on a quarterly basis and mid-term.

The outcomes of the Performance Monitoring must be:
- ✓ Collated Performance Data (Quarterly, Mid-term, Annual),
- ✓ Yeat to date Performance Dashboard(s)
- ✓ Performance Variances and Remedial Actions
- ✓ Performance evaluation of the CM and Section 56 managers
- ✓   Performance evaluation of staff below Section 56 managers

7.3   Performance Review

Performance review analyses why there is under-performance or what the factors were, that allowed good performance in a particular area. Where targets have not been met, the reasons for this must be examined and the corrective action already taken must be indicated. An additional component is the review of the indicators to determine if they are feasible and are measuring the key areas appropriately.

In this stage the following is important:

(a)   Evidence checking

(b)   Evidence to support the status is also reviewed at this stage and must:

➢ Be sufficient to substantiate your status reported for the year/quarter.

➢ Be applicable to the time period i.e. if you are reporting on training conducted for Q3 in Year 2, the evidence should not be for training held in Year 1.

➢ Be complete i.e. if you have reported that 10 training sessions were held, there should be 10 registers showing that the training was conducted over 3 days, attendees must sign on each of the 3 days

➢ Be relevant i.e. if you are reporting on training held, the evidence should be about the training and not related to a meeting (for an example); **The following table is an example of both weighting types:**

Main Criteria	Sub Criteria	Definition
	Measurability	Indicators are well defined and verifiable Targets are specific, measurable and time bound
Usefulness	Relevance	Indicators relate logically and directly to the entity mandate and realisation of strategic goals and objectives
	Consistency	Objectives, indicators and targets are consistent between planning and reporting documents.
	Validity	Actual performance reported has occurred and pertains to the entity
Reliability	Accuracy	Amounts, numbers and other data relating to actual performance reported have been recorded and reported appropriately
	Completeness	All actual results and events that should have been recorded have been included in the annual performance reports.
	Existence	Objectives, indicators and targets must be predetermined and performance information must be reported against them.
Compliance with legislative requirements	Timelines	The annual performance report, together with the annual financial statement; must be submitted for audit purposes to the auditors' within two months after the financial year end.
	Presentation	- Performance information must be presented using the National Treasury guidelines - Actual performance information in tables and other information included in the annual report must be consistent

Table 3: Audit Criteria

Where targets are measured in %, the evidence submitted must be the same as the evidence indicated to substantiate each step on the project plan.

A review of planned objectives, individual and targets can be undertaken during the financial year where there are major organisational and budget adjustment.

Mid-term Amentment (MTA) process

➢ Once adopted by Council, the SDIBP may only be revised, following the approval of the adjustments budget.

➤ When the mid-term amendment process begins, a request for mid-term amendments will be communicated to all KPI owners, programme drivers, project managers, plan representatives and the plan owners. The email will contain details of what is required, what can and cannot be amended and the relevant deadlines.

➤ All the sub-directorate are required to discuss their mid-term amendment within the directorate, obtain approval within the department and then submit these to the relevant General Manager.

➤ The General Manager should then consolidate all submissions and refer these to the HOD for review and approval. Approval must be obtained in writing, on the template provided by the PME Sub-directorate. Once approved, the MTA's should be submitted to the PME Sub-directorate, together with the approval.

➤ All submissions will then be reviewed and consolidated. The PME Sub-directorate will verify that all requirements have been met. Once all queries are resolved, the draft MTA's will be submitted to the City Manager for signature and then to MAYCO and Council for adoption. Once adopted by Council, the amendments will be applicable for Q3 and Q4 of the financial year.

➤ Once noted, the MTA's will be published on the Municipal website. An advertisement will also be published inviting the public to review the MTA's and provide comment – this will be for a period of 21 days. Any further revisions as a result of any comments from the public as well as further revisions from the sub-directorates, will be incorporated and the MTA's will be finalised.

The outcomes of the Performance Review phase must be:
- ✓ Adjusted SDBIP Report for Council approval,
- ✓ Publication of the approved revised SDBIP on the municipal website

7.4 Performance Reporting

Organisational performance is reported quarterly, bi-annually and annually. In addition to formal reporting, the political leadership also reports to communities regularly through outreach programmes. Municipal department and the municipal entity must ensure that performance reports are timely submitted and comply to the timelines issued by the PME Sub-directorate in the Office of the City Manager. Relevant HODs and departmental management will be held responsible for non-submission or late submission. The timeframes as advised by the PME Sub-directorate at the time of request for information must be adhered to. These timeframes are no static and change depending on the alignment with municipal process and national requirements.

Frequency and nature of report	Legislative Prescript
Quarterly progress report	Section 41 (1) (e) of the Systems Act, Section 166 (2) (a) (v) and (vii) of the Municipal Management Finance Act (MFMA) and Regulation 7 of Municipal Planning and Performance Management Regulations.
Mid-year performance assessment **(assessment and report due by 25 January each year)**	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.

Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.

Table 4: Reporting Freaquency and Prescripts

The outcomes of the Performance Reporting phase must be:
- ✓ Quarterly and midterm Reports approved by Council
- ✓ Annual Report adopted by Council
- ✓ Oversight Report of MPAC,

7.5   Performance Auditing

The Performance Auditing phase is the final component of the PMS process and cycle. According to section 45, of the System Act, results of the performance measurement must be audited on a continuous basis as part of the municipality's internal auditing process and annually by Auditor-General. The Municipality's performance auditing is performed by both Internal and External Auditors as outlined below:

Internal Auditing of Performance Reports	External Auditing of Performance Reports
According to the Municipal System Act Regulation 14(1)	**Auditor General, Auditing Performance (Public Audit Act, 2004 (Act No.25 of 2004)**
(a) A municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing process	Auditing of performance against predetermined objectives – Section 20 (2) (c) and 28 (1) of the PAA
(b) Any auditing in terms of paragraph (a) must include assessments of the following: *(i) The functionality of the municipality's Performance Monitoring and Evaluation system* *(ii) whether the municipality's performance monitoring and evaluation system complies with the Act; and* *(iii) the extent to which the municipality's performance measurement are reliable in measuring performance of municipalities on indicators referred to in regulation 9 and 10*	1. All public-sector entities are required to submit their annual performance reports for auditing together with the annual financial statement within two months after the end of the financial year. 2. The objective of an audit of performance against predetermined objectives is to enable the auditor to conclude whether the reported performance against predetermined objectives is useful and reliable, in all material respects, based on predetermined criteria. The auditing of reporting against predetermined objectives has been phased in over a couple of years and has now reached a stage of maturity as indicated below.
(c) A municipality's internal auditors must- (i) on a continuous basis audit the performance measurements of the municipality; and (ii) Submit quarterly report on their audits to the city manager and the performance audit committee referred to sub-regulation (2)	3. The following are the sources of criteria against which the subject matter will be evaluated as a basis for the audit conclusion: ✓ All relevant laws and regulations ✓ Framework for the managing of programme performance information,

| | issued by the National Treasury. |
| | ✓ Relevant framework, circulars and guidance issued by National Treasury and Presidency regarding the planning, management, monitoring and reporting of performance against predetermined objectives. |

Table 5: Internal and External Auditing

The outcomes of the Performance Auditing phase must be:
  ✓ Internal Auditing and Audit Committee reports on PMS
  ✓ AGSA review of Annual Report
  ✓ MPAC Oversight Report

8. Components of the Service Delivery Budget Implementation Plan

8.1. Sector

Sector refers to the Sub-directorate/operating environmental that will be reporting on the KPIs.

8.2 National Key Performance Areas (KPA)

The Mangaung Municipality has adopted the 5 National KPAs as the core KPAs in its organisational performance scorecard and SDIBIP.

The KPAs are as follows:

1. Basic Service Delivery
2. Municipal Institutional and Development and Transformation
3. Local Economic Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation

8.3 National Treasury Reference Number

This is the reference number that corresponds to the indicators per National Treasury Circular 88. The reference number used for these indicators in the circular must be the same as that reflected in this column on the SDBIP.

8.4 Key Performance Indicator (KPI)

KPIs are measures that the Municipality uses to define success and track progress in meeting strategic goals.

Setting of Key Performance Indicator (KPI)

The Framework for Managing Programme Performance (National Treasury, 2007) provides a guideline for the development of KPIs as provided below:

"Performance information needs to be structured to demonstrate clearly how government uses available resources to deliver on its mandate.

"Input Indicators": all the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and building.

Activity indicators: the processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".

Output indicators: the final products, or goods and services produces for delivery. Outputs may be defined as "what we produce or deliver".

Outcome indicators: the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".

Impact indicators: the result of achieving specific outcomes, such as reducing poverty and creating jobs."

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts.

The following illustration reflects the relationship between the core performance information concepts.
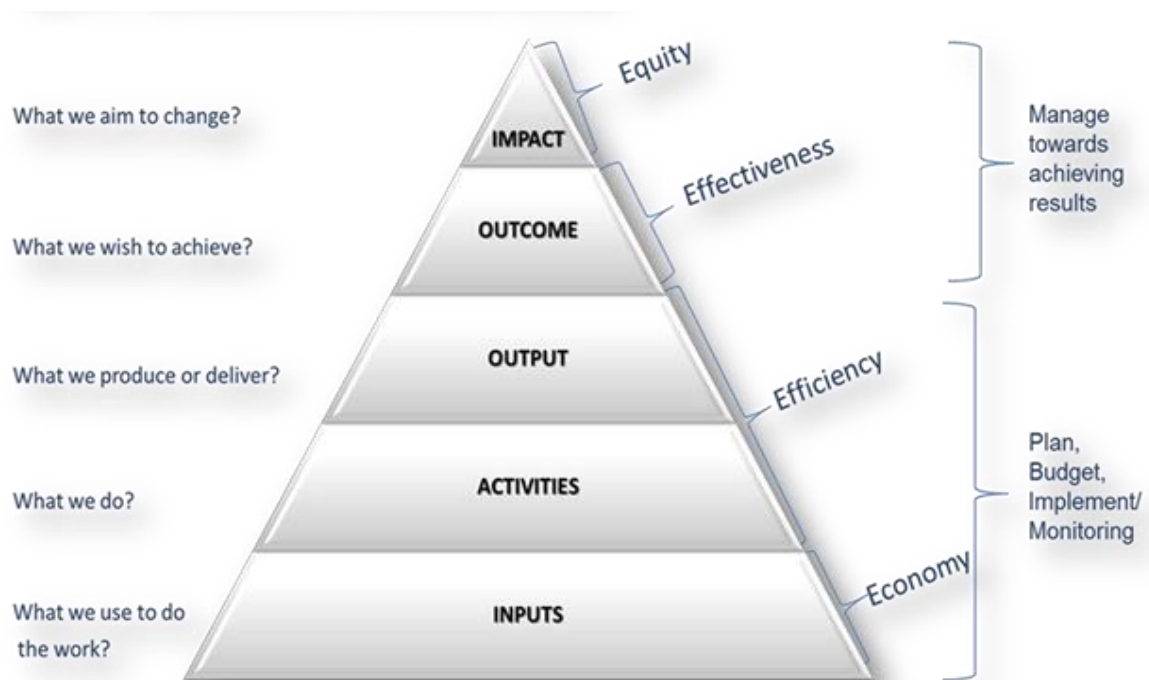

Figure 5: Conceptualising Key Performance Information Concepts (reference framework Managing Programme Performance information, National Treasury, 2007).

8.5   Programmes

Programmes are identified in the IDP and these programmes are reflected in the SDBIP.   Each Programme will have link to a KPI. Programmes are further monitored on a project level.

8.6   Projects

The SDBIP projects have an annual target linked to it.   These projects are reviewed annually.   The lifespan of SDBIP projects can be from as little as three months to five years and beyond, depending on the nature of the project.   Each project must be unpacked by means of a project plan and milestone documents. These are provided prior to the commencement of the financial year and from the basis for reporting on performance.

8.7   Baseline

A baseline is the audited result at the end for the previous financial year, against which the Municipality aims to maintain/improve their performance. If a baseline does not exist in the previous year, this must be indicated as no baseline in place. After the end of the Auditor General's auditing period, a baseline will be available for the following year.   The baseline amendment process is finalised during the mid-term review period.

8.8 Targets

Regulation 12 of the Local Government: Municipal Planning and Performance Monitoring and Evaluations regulation 2001, states the following:
12.   (1) A municipality must, for each financial year, set performance targets for each of the key performance indicators set by it.
      (2) A performance target set in terms of sub-regulation (1) must –
           a) Be practical and realistic;
           b) Measure the efficiency, effectiveness, quality and impact of the performance of the municipality, administrative component, structure, body or person for whom a target is set;
           c) Be commensurate with available resources;
           d) Be commensurate with the municipality's capacity; and
           e) Be consistent with the municipality's development priorities and objectives set out in its integrated development plan."

In addition the targets must be SMART. In unpacking the SMART acronym, the following aspects are highlighted:

Specific : Is the target specific or vague? By being specific, the municipality commits itself to a standard of delivery. E.g. by stating "1000 standpipes will be constructed within Mangaung Municipal Area" the municipality is committing to a specific target opposed to a statement "to provide people with water". Further, the municipality needs to be absolutely sure what element of objective it wants to measure e.g. the quality of water being provided of the numbers of stand pipes being constructed. Therefore, the KPIs which needs to be measured should be identified and prioritized and specific targets set. Care should be taken not to mix the different targets in one KPI measurement, as it will make measurement of it difficult.

Measurable : In deciding what specific part of the KPI a municipality want to measure it must decide:
If the municipality can measure the targets set (example, does it have the staff, funding, information/data to do this). If the municipality can provide proof (information/data) that the target set was actually achieved. If a municipality cannot measure a target for any reason, it should amend or remove it.

If the municipality wants to measure any target, it must decide on the most appropriate manner for obtaining such proof, and whether it is justified to employ additional staff or incur additional expenditure on providing the proof that a specific target was achieved? Also, there should be a purpose or reason for measuring a target, e.g. there is no reason to measure the reduction in the incidences of cholera if the Municipality has no clear strategy and objective in place to address this aspect and is not doing anything to reduce the impact.

Achievable : Can the municipality meet the target set? Does it have the human, infrastructure and other resources to deliver on the target set? In determining if a target is achievable, the municipality must determine if it has a total executive control over the objective, KPI and Target set. E.g., provision of education is a national and provincial Government function.

Thus, developing, a KPI of "constructing schools" and setting a target of "building 5 schools" would not be attainable as it falls outside the control of the municipality (Operationally).

Further, the municipality need to determine/identify whether there are real risks (Political, financial, human natural etc.) involved, in firstly setting the target, and secondly meeting it. (This relates to the realistic element of the target as well)

Relevant : By setting a realistic target the municipality must take its capacity into consideration. There is no point in setting a target of "5000 stand pipes in one year "if the municipality only has the capacity (human, in fractural and financial) to deliver "1000 stand pipes in one year."

Similarly, in a non-core-function, if a municipality does not have the capacity and the responsibility to build a school, the target set should reflect the aim of that municipality to liaise and lobby with the Department of Education and Culture. By setting the unrealistic target, the municipality will only set itself up for failure.

Risk identification: It is important for the municipality to identify all possible (high level) risks that can impact on the delivery of targets/s.

*Time-bound :*Once quarterly and annually targets are set, these must relate to a timeframe. These timeframes should in themselves be specific, attainable and realistic. Time frames are not necessarily related to a financial year, but could span over several years. Applicable target dates for each KPI must be determined.

However, a municipality should monitor its achievements towards the target annually and review/adapt the target if required. If a target cannot be met in one year, extend the time frame or reduce the target so that it can be met in the time frame specified. Consequently, a "SMART" target could be to build 1000 standpipes within the financial year (time related).

8.9   Key Performance Indicators

The Framework for Managing Programme Performance Information (National Treasury, 2007) provides the six key steps in the development of Key Performance Indicators as below:

"Step 1: Agree on what you are aiming to achieve.

The first step in developing robust indicators is to agree on the problem you seek to remedy. Based on an understanding of the problem, what is the solution? Or expressed in social terms, what would society look like if the desired changes could be effected? This enables you to define a clear set of

outcomes and impacts. These are the institution's strategic goals and objectives, which need to be defined in measurable terms.

Well-defined strategic goals and objectives provide a better basis from which to develop suitable programmes and projects, as well as appropriate indicators. Once an institution has decided on what is to be achieved, it then needs to decide what it needs to deliver to do so.

Step 2: Specify the outputs, activities and inputs

The second step is often the most difficult – specifying what the institution needs to do to achieve the desired outcomes and impacts. You may find it useful to reverse the thought process: having defined the outcomes and impacts the institution is aiming to achieve, you should then examine:

- What parties are likely to be positively or negatively affected? What are their relevant characteristics? This information is important when planning interventions that will affect them and for designing appropriate indicators.
- What does the institution need to do in the short term to achieve the desired outcomes and impacts/ these will be the outputs for the institution. The choice of outputs needs to take into account that will be affected by the intervention.
- What does the institution require to produce these outputs? These will be activities the institution needs to undertake.
- What is needed to perform these activities? These will be the inputs the institution requires.

This approach to planning is called the "logic model", and is a useful way to plan and order information. In determining the logic model, risk and assumptions must be identified for each of the levels of the planning process. Specifying appropriate outputs often involves extensive policy debates and careful analysis. The process of defining appropriate outputs needs to take into consideration what is practical and the relative costs of different courses of action. It's also important to assess the effectiveness of the chosen intervention.

Step 3: Select the most important indicators

There is no need to measure every aspect of service delivery and outputs. Fewer measures may deliver a stronger message. Institutions should select indicators that measure important aspect of the service that is being delivered, such as critical inputs, activities and key outputs. When selecting indicators, it is important to keep the following elements in mind:
- Clear communication: the indicators should communicate whether the institution is achieving the strategic goals and objectives it set itself. The indicators also be understandable to all who need to use them.
- Available data: the data for the chosen indicators needs to be readily available.
- Manageability: the number of indicators needs to be manageable. Line managers would be expected to track a greater number of indicators pertaining to a particular programme than, say, the head official of the institution or the executive authority.

Step 4: Set realistic performance targets

When developing indictors there is always a temptation to set unrealistic targets. However, doing so will detract from the image of the institution and staff morale. Effective performance management requires realistic, achievable target that challenge the institution and its staff.
Ideally, targets should be set with reference to previous and existing levels of achievement (i.e. current baselines), and realistic forecasts of what is possible. Where targets are set in relation to service

delivery standards it is important to recognise current service standards and what ids generally regarded as acceptable.The chosen performance target should:

- ➢ Communicate what will be achieved if the current policies and expenditure programmes are maintained
- ➢ Enable performance to be compared at regular intervals – on a monthly, quarterly or annual basis as appropriate.
- ➢ Facilitate evaluations of the appropriateness of current policies and expenditure programmes

Step 5: Determine the process and format for reporting performance

Performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action.

This means getting the right information in the right format to the right people at the right time. Institutions need to find out what information the various users of performance information need. And develop formats and systems to ensure their needs are met.

Step 6: Establish processes and mechanisms to facilitate corrective action

Regular monitoring and reporting of performance against expenditure plans and target manages to manage by giving them the information they need to take decisions to keep service delivery on track.T he information should help managers establish

- ➢ What has happened so far?
- ➢ What is likely to happen if the current trends persist, say, for the rest of the financial year?
- ➢ What actions, if any, need to be taken to achieve the agreed performance targets?'

The following Key Performance Indicators are legislated and must feature in the SDBIP

General Key Performance Indicators
- ➢ The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- ➢ The percentage of households earning less than R1 100 per month with access to free basic services
- ➢ The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP.
- ➢ The number of jobs created through the municipality's local economic development initiatives including capital projects
- ➢ The number of people from employment equity targets groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan.
- ➢ The percentage of a municipality's budget actually spent on implementing its workplace skill plan

Financial Viability Indicators
- ➢ Debt Coverage

$A=B-C-D$

Where-

"A" represents dept coverage

"B" represents total operating revenue received

"C" represents operating grant

"D" represents debt service payment (i.e. interest + redemption) due within the financial year

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➢ Service Debtors to Revenue
A=B C
Where-
"A" represents outstanding service debtors to revenue
"B" represents total outstanding service debtors
"C" represents annual revenue actually received for services;
➢ Cost Coverage
A=B+C D
Where -
"A" represents costs average
"B" represents all available cash at a particular time
"C" represents investment
"D" represents monthly fixed operating expenditure

Table 6: Legislated General Key Performance indicators

Characteristics of Good Performance Indicators

A good performance indicator requires careful analysis of what is to be measured. One needs to have a thorough understanding of the nature of the input or output, the activities, the desired outcomes and impacts, and all relevant definitions and standards used in the field. For this reason, it is important to involve subject experts and line managers in the process. A good performance indicator should be:

Reliable: the indicator should be accurate enough for its intended use and respond to changes in the level of performance.
Well-defined: the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.
Verifiable: it must be possible to validate the process and system that produce indicator.
Cost effective: the usefulness of the indicator must justify the cost of collecting the data.
Appropriate: the indicator must avoid untended consequences and encourage service delivery improvement, not only give mangers incentives to carry out activities simply to meet a particular target.
Relevant: the indicator must relate logically and directly to an aspect of the municipality's mandate, and the realisation of strategic goals and objectives.

From a municipal perspective, the following principles are also relevant:

➢ A municipality must include performance indicators related to the provision of goods and services
➢ The plan name usually reflects the high-level objective i.e. what needs to be achieved.
➢ KPIs should be aligned to the overall objective of the plan i.e. KPIs selected should indicate what will be done to achieve the objective.
➢ Programme/projects and sub-projects in the SDBIP should be designed such that they tell the reader in more detail how/what steps will be taken to achieve the KPI. Therefore, programmes and projects should be aligned to the relevant KPI.

KPIs should:

➢ Be simple and easily understood by any reader
➢ As far as possible, include a verb (action word) that tells the reader what will be done e.g. implement, monitor, maintain, etc
➢ As far as possible, is the same each year so that results are comparable from year to year.
➢ Be selected such that information used to report actual results is available. There should be no guess work when reporting results.

➤ Be accompanied by a KPI definition document for each KPI.
➤ Be linked to one or more projects on the SDBIP, either directly or indirectly.
➤ Be a function that is within your control.
➤ Reflect the projects on which the sub-directorate budget will be spent. The SDBIP is a budget implementation plan and thus all projects related to the substantial use of the capital budget must be included on the SDBIP. In addition, KPIs should be based on the key functions of the Sub-directorate – KPI owners and plan owners should ask the question "What is the main function/objective of the Sub-directorate". The answer to this question will direct the Sub-directorate in developing their KPIS

KPIs should not:

➤ Cover more than one (1) focus area – Each KPI should relate to a specific matter
➤ Be ambiguous – the wording should clearly indicate what needs to be achieved
➤ Be a copy and paste of the KPIs from an individual's performance plan
➤ Include operational issues – these should be monitored within the Sub-directorate using a business plan.
➤ Be selected if the results cannot accurately be measured or where determining the results involves using guess work.

9. Roles and Responsibilities

Section 53 of the Municipal System Act requires every municipality to define the specific role and area of responsibility of each political and administrative structure and functionary. The respective roles and responsibilities of each structure and functionary must:

➤ *Be defined in precise terms by way of separate terms of reference, in writing, for each structure or functionary: and*
➤ *Be acknowledged and given effect in the rules, procedure, instruction, policy statement and other written instruments of the municipality.*

Unless the process of determining roles and responsibilities is been completed, it is not possible to develop a sound delegation where authority to implement specific roles and responsibilities is assigned. A manager cannot be held accountable for a function, which has been delegated to him/her. As per Section 39 of the Municipal Systems Act 2000, the responsibility for managing the development of the Municipality's Performance Monitoring System has been delegated to the City Manager. Table 4 below outlines the roles of responsibility of various roleplayers in the PMS value chaing of MMM.

Role player	Role
Community	➤ Participate in the drafting and review of the integrated development plan, including the setting of indicators and targets; ➤ Makes representation on the Annual report.
Council	➤ Adopts and approves: ✓ *a process to guide the planning, drafting, adoption and review of the IDP (Process Plan);* ✓ *the PMS;* ✓ *the IDP including corporate indicators and targets;* ✓ *changes to the IDP, corporate indicators and targets;* ✓ *Annual Report.*
Audti Committe	➤ Reviews the reports by Interanal Audit and the Auditor General; ➤ performance management systems focusing on economy,

	efficiency and effectiveness and impact; ➢ Assesses the accomplishment of the City's goals and objectives as set out in the IDP; ➢ Submit at least two reports per year to Council reflecting on the Committee's assessment of the performance management system.
Municipal Public Accounts Committee (MPAC)	➢ Reviews the City's Annual Report, including the Auditor General's report on the financial statements and responses thereto. ➢ Compiles Oversight Report for Council adoption and approval.
Executive Mayor	➢ Identifies, reviews and evaluates the municipalities needs in order of priority; ➢ Recommends to council strategies, programmes and services to address priority needs through the IDP; ➢ Responsible for the development and management of the PMS and submits to council for adoption; ➢ Ensures that the performance agreements of S57 employees are made public; ➢ Assign responsibility of developing the PMS to the City Manager; ➢ Approves the Corporate SDBIP; ➢ Delegated his power to evaluate performance to all Mayoral Committee members, within the functional area of their relevant portfolios only; ➢ Presents the annual report to Council for approval
Members of Mayoral Committee (MMCs)	➢ Provides oversight on the implementation of the Directorate Business Plans and SDBIPs within the functional areas of their relevant portfolios only.
City Manager	➢ Development and implementation of the PMS; ➢ Approval of the Organisational Performance Management System Implementation Guidelines, Practice Notes and Standard Operating Procedures; ➢ Submission of the draft SDBIP to the Executive Mayor; ➢ Co-ordinate the compilation of the Annual report.
Heads of Departments	➢ Approves the Performance Indicator Measurement Sheets; ➢ Approves auditable indicators and targets; ➢ Ensure that plans are in place to meet set targets; ➢ Implements performance improvement measures approved by the Mayor and Council; ➢ Ensure that accurate, reliable and evidenced performance results are provided for performance measures on a quarterly basis; ➢ Ensures that evidence to support the performance achievements is collected, stored and submitted.
General Managers and Managers	➢ Develops the Performance Indicator Measurement Sheets that are relevant to them; ➢ Develop and implement auditable indicators and targets as approved by council; ➢ Develops plans to meet set targets; ➢ Provides accurate, reliable and evidenced performance results for performance measures on a quarterly basis;

	Collects, stores and submits evidence to support the performance achievements.
IDP and Performance Management Unit	➢ Prepare SDBIP for the new financial year ➢ Gather supporting documents (KPI definitions, Project plan) & verification thereof ➢ Coordinates and Prepare Mid-Term Amendment to the SDBIP ➢ Coordinates and develop the consolidated Quarterly, Mid-term and Annual Reports for Council ➢ Manages the electronic organisational management systems
Internal Audit	➢ Provide assurance on performance management ➢ Audit the PMS sytems and performance information

Table 7: Roles and Responsibilities in the organisational performance monitoring process

10. Policy Implemenmtation

10.1   E-Performance Management

Quality performance information and appropriate infrastructure for managing data are prerequisites for effective M&E systems. The municipality must ensure that an electronicIT systems is procured for the electronic management of the PMS processes. The Performance Management Systems will include business processes for collecting and managing data, roles and responsibilities for collecting and managing data.

10.2   Data Management

There is a critical need to ensure that performance data and information is regularly collected, analysed and stored to guarantee validity, reliability, timeliness, access and integrity. Data should be quality assured regularly using the SASQAF which includes standards on relevance, accuracy, timeliness, accessibility, interpretability, coherence, methodological soundness and integrity of data.. Data should be managed ethically in line with accepted professional standards adopted by professional associations and government (e.g. the National Evaluation Standards). There should be clear business processes and rules in place to ensure sound data management practices.

10.3   Developing PMS Capacity

The municipaliuty must ensure that ensure that there is adequate capacity development to ensure common and uniform understanding and implementation of PMS with the municipality. The capacity development process should be approached in a holistic manner that recognises PMS as part of broader municipal transornation effort. In this regard, capacity development efforts should address three levels, i.e. enabling environment, institutional capacity and individual skills:

➢   ***At the enabling environment level,*** : A change management process and plan must be implemented at organisation-wide to remove barriers to efficient, effective and sustainable implementation of PMS practices. through promoting the generation of performance information and evaluative evidence (supply side) as well as use of such information (demand side) to contribute to the achievement of the various purposes of M&E, especially continuous learning and performance improvement.

- > ***At an institutional level***: The Office of the City Manager, PME Sub-directorate must be capacitated and optimally staffed to ensure that technical PMS support is provide to all municipali departments. The PME must further develop technical support in the form of guidelines, advice, tools, and SOPs related to improving PMS.
- > ***At an individual level*** : Skills development programmes should include training, mentorship and coaching on PMS. Collaborations and partnerships must be sought with SALGA, National School of Government, LGSETA and local higher education instituions for tailored training programmes and skills development. .

11. Monitoring and Evaluation (including circular 88 indicators)

MFMA Circular 88 on Rationalisation Planning and Reporting Requirements provides guidance and assistance to metropolitan municipalities on the preparation of statutory planning and reporting document for the medium-term expenditure framework. The Circular is jointly issued by NT, DPME and CoGTA and is unique in its history as an intergovernmentally produced MFMA Circular. It introduced a series of indicators at the level of outcomes and outputs for inclusion within IDPs. Following the experience of rollout in 2018/19, Circular 88 has been refined in an addendum issued in December 2019. The circular further provides a set of indicators for cities to report on towards the achievement of generally applicable functional outcomes. The functions covered are:

- > Electricty and Energy
- > Water and Sanitation
- > Roads and Transport
- > Housing and Community Facilities
- > Environment and Waste Management
- > Governance

The circular makes clear that in terms of reporting on plans, reporting of the IDP should focus on reporting on functional outcomes.

Annexure 1 of the policy outlines all Circular 88 Indicators and allocates the reporting requiremenbt to the relevant sector senior manager within the municipal and the municipal entity (CENTLEC). Municipal departments and CENTLEC must report progress on the Circular 88 indicators as part of the quarterly, midterm and annual reporting process.

12. Conclusion

This framework provides a guide for the measurement of organisational performance. It is subject to change due to new legislative requirements which occur from time to time. Performance monitoring is a consultative process and therefore needs to be clearly understood by all levels of staff and management, so that each individual in the municipality can play a role in meeting the vision of the organisation.

Annexure 1 : Consolidated indicator overview for Circular No. 88 (2019)

This section sets out the 138 municipal indicators introduced in MFMA Circular No. 88. Furthermore the detailded Technical Indicator Descriptions (TID) for each of these indicators setting out the indicator rationale, definition, calculation details, data elements and more are annexured in the Integrated Development Plan.

The indicators in MFMA Circular No. 88 are organised by sector and outcome applying a results-chain logic, and further distinguished by their level of readiness for planning and reporting. They have been adopted by the Reporting Reforms Steering Committee with institutional representation from National Treasury, COGTA, DPME, Auditor General, StatsSA, SACN and SALGA.

Following the experience of Circular No. 88 implementation in the 2018/19 planning and reporting cycle, and with the benefit of municipal feedback, revisions to the level of readiness of the indicators have been made. The following table gives guidance in this regard.

Code	Meaning
	Indicator is Tier 1 or Tier 2 level of readiness and should be applied in the 2020/21 planning, budgeting and reporting cycle.
	Indicator is Tier 3 or Tier 4 level of readiness and is not yet ready for standardised reporting.
	No indicator has been proposed at the output level in relation to this outcome at this time.

In addition, the appendix concludes with 17 compliance measures and 4 questions municipalities are expected to apply in the 2020/21 planning and reporting cycle.

Energy & Electricity

Outcome	Outcome Indicators	Output Indicators	Responsibility
EE1. Improved access to electricity	EE1.1. Percentage of households with access to electricity	EE1.11 Number of dwellings provided with connections to the mains electricity supply by the municipality	**CHIEF EXECUTIVE OFFICER CENTLEC**
		EE 1.12 Number of dwellings provided with connections to the mains supply by Eskom within municipal jurisdiction	
EE2. Improved affordability of electricity	EE2.1 Households receiving Free Basic Electricity as a percentage of all households with electricity connections	EE2.11 FBE provision levels as a percentage of total residential electricity provision (in terms of MWh)	
	EE2.2 Percentage of low-income households that spend more than 10% of their monthly income on electricity		
EE3. Improved reliability of electricity service	EE3.1 System Average Interruption Duration Index	EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	
	EE3.2 Customer Average Interruption Duration Index	EE3.21 Percentage of planned maintenance performed	
	EE3.3 System Average Interruption Frequency Index	NO OUTPUT INDICATOR PROPOSED	
	EE3.4 Customer Average Interruption Frequency Index		
EE4. Improved energy sustainability	EE4.1 Renewable energy capacity available within the municipal jurisdiction as a percentage of Eskom supply capacity to the municipality	EE4.11 Total renewable energy capacity available through IPPs	
		EE4.12 Installed capacity of embedded generators on the municipal distribution network	
	EE4.2 Electricity usage per capita	NO OUTPUT INDICATOR PROPOSED	
	EE4.3 Road transport fuel usage per capita	NO OUTPUT INDICATOR PROPOSED	
	EE 4.4 Percentage total electricity losses	NO OUTPUT INDICATOR PROPOSED	

Environment and Waste

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
ENV1. Improved air quality	ENV1.1 Metropolitan Air Quality Index (MAQI)	ENV1.11 Percentage of atmospheric emission licenses (AELs) processed within guideline timeframes	HEAD OF DEPARTMENT SOCIAL SERVICES
		ENV1.12 Percentage of AQ monitoring stations providing adequate data over a reporting year	
		ENV1.13 Proportion of municipal AEL applications captured on the National Atmospheric Emissions Inventory System	
	ENV 1.2 Number of days where PM2.5 levels exceeded guideline levels	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT SOCIAL SERVICES
	ENV 1.3 Percentage of households experiencing a problem with noise pollution	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT SOCIAL SERVICES
ENV2. Minimised solid waste	ENV2.1 Tonnes of municipal solid waste sent to landfill per capita	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT SOLID WASTE AND FLEET MANAGEMENT
	ENV2.2 Tonnes of municipal solid waste diverted from landfill per capita	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT SOLID WASTE AND FLEET MANAGEMENT
	ENV 2.3 Total collected municipal solid waste per capita	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT SOLID WASTE AND FLEET MANAGEMENT
ENV3. Increased access to refuse removal	ENV3.1 Percentage of households with basic refuse removal services or better	ENV 3.11 Percentage of known informal settlements receiving integrated waste handling services	HEAD OF DEPARTMENT SOLID WASTE AND FLEET MANAGEMENT
	ENV 3.2 Waste removal complaints due to non-collection as a percentage of total consumer units/billed accounts	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT SOLID WASTE AND FLEET MANAGEMENT
ENV4. Biodiversity is conserved and enhanced	ENV4.1 Ecosystem/vegetation type threat status	ENV4.11 Percentage of biodiversity priority area within the metro	HEAD OF DEPARTMENT PLANNING
	ENV4.2 Ecosystem/vegetation type protection level	ENV4.21 Percentage of biodiversity priority areas protected	HEAD OF DEPARTMENT PLANNING
	ENV4.3 Wetland condition index	NO OUTPUT INDICATOR PROPOSED	HEAD OF DEPARTMENT PLANNING

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
ENV5. Coastal resources maintained and amenities improved	ENV5.1 Recreational water quality	NO OUTPUT INDICATOR PROPOSED	**N/A**
ENV 6. Climate change mitigated and adapted to	ENV6.1 GHG emissions per capita	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT PLANNING**

Fire and emergency services

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
FE1. Mitigated effects of emergencies	FE 1.1 Number of fire related deaths per 1000 population	FE 1.11 Percentage compliance with the required attendance time for structural firefighting incidents	**HEAD OF DEPARTMENT SOCIAL SERVICES**
		FE 1.12 Number of full-time firefighters per 1000 population	**HEAD OF DEPARTMENT SOCIAL SERVICES**
	FE 1.2 Number of natural disaster related deaths per 1000 population	FE 1.21 Number of reservists and volunteer responders per 1000 population	**HEAD OF DEPARTMENT SOCIAL SERVICES**

Good Governance

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
GG1. Improved municipal capability	GG 1.1 Percentage of municipal skills development levy recovered	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT CORPORATE SERVICE**
	GG 1.2 Top Management Stability (% of days in a year that all S56 positions are filled by full-time, appointed staff not in an acting capacity, see TID for detail)	GG 1.21 Staff vacancy rate	**HEAD OF DEPARTMENT CORPORATE SERVICE**
GG2. Improved municipal responsiveness	GG 2.1 Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	**HEAD OF OFFICE SPEAKER**
		GG 2.12 Percentage of wards where at least one councillor-convened community meeting was held	**HEAD OF OFFICE SPEAKER**
	GG 2.2 Attendance rate of municipal council meetings by all identified Traditional Leaders	NO OUTPUT INDICATOR PROPOSED	**HEAD OF OFFICE SPEAKER**
GG3. More effective city administration	GG 3.1 Audit Opinion	GG 3.11 Number of repeat audit findings	**CHIEF FINANCIAL OFFICER**
		GG 3.12 Percentage of councillors who have declared their financial interests	**HEAD OF OFFICE SPEAKER**

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
		GG 3.13 Percentage of administrative staff who have declared their financial interests	**CITY MANAGER**
GG4. Improved council functionality	GG 4.1 Average percentage of councillors attending council meetings	GG 4.11 Number of agenda items deferred to the next council meeting	**HEAD OF OFFICE SPEAKER**
	GG 4.2 Functionality of prescribed municipal structures (as defined in Municipal Structures Act 117 of 1998)	NO OUTPUT INDICATOR PROPOSED	**CITY MANAGER**
GG5. Zero tolerance of fraud and corruption	GG 5.1 Number of alleged fraud and corruption cases reported per 100 000 population	GG 5.11 Number of active suspensions longer than three months	**HEAD OF DEPARTMENT CORPORATE SERVICES**
		GG 5.12 Quarterly salary bill of suspended officials	**HEAD OF DEPARTMENT CORPORATE SERVICES**
	GG 5.2 Number of dismissals for fraud and corruption per 100 000 population	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT CORPORATE SERVICES**
	GG 5.3 Number of convictions for bribery and/or corruption by city officials per 100 000 population	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT CORPORATE SERVICES**
GG6. More effective poverty alleviation	GG 6.1 Percentage of all qualifying households in the municipal area classified as indigent	GG 6.11 Percentage of the municipality's operating budget spent on free basic services to indigent households	**CHIEF FINANCIAL OFFICER**
		GG 6.12 Number of work opportunities created through EPWP, CWP and other related infrastructure programmes	**CITY MANAGER**

Housing and Community Facilities

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
HS1. Improved access to adequate housing (incl. security of tenure)	HS1.1 Percentage of households living in adequate housing	HS1.11 Number of subsidised housing units completed	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
		HS1.12 Number of formal sites serviced	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
	HS1.2 Title deed backlog ratio	HS1.21 Average number of days taken to register the title deed (subsidised stands and units)	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
	HS1.3 Percentage of households in informal settlements targeted for upgrading	HS1.31 Number of informal settlements enumerated and classified (in terms of NUSP or equivalent classification)	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
		HS1.32 Percentage of informal settlements using a participatory approach to planning or implementing upgrading	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
HS2. Improved functionality of the property market	HS2.1 Percentage of property market transactions in the gap and affordable housing -market range	NO OUTPUT INDICATOR PROPOSED	
	HS2.2 Rateable residential properties as a percentage of total households in the municipality	HS2.21 Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
		HS2.22 Average number of days taken to process building plan applications	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
	HS2.3 Percentage of households living in formal dwellings who rent	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT HUMAN SETTLEMENTS**
HS3. Increased access to and utilisation of social and community facilities	HS 3.1 Square meters of municipally owned or maintained public outdoor recreation space per capita	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT SOCIAL SERVICES**
	HS 3.2 Number of community halls per 100 000 population	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT CORPORATE SERVICES**
	HS 3.3 Number of public libraries per 100 000 population	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT SOCIAL SERVICES**
	HS3.4 Percentage utilisation rate of sports fields	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT CORPORATE SERVICES**
	HS 3.5 Percentage utilisation rate of community halls	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT CORPORATE SERVICES**
	HS 3.6 Average number of library visits per library	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT SOCIAL SERVICES**

Transport and Roads

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
TR1. Modal shift of weekday trips (incl. education trips) from private to public transport and NMT	TR1.1 Percentage of dwelling units within 500m of scheduled public transport service	TR1.11 Non-residential development approved within 500m of scheduled public transport service, by internal floor space	**HEAD: IPTN UNIT**
		TR1.12 Number of scheduled public transport access points added	**HEAD: IPTN UNIT**
	TR1.2 NMT paths and lanes as a percentage of the total municipal road network length	TR1.21 Length of NMT paths built	**HEAD: IPTN UNIT**
	TR1.3 Percentage of commuters (city-wide) using private motorised transport		**HEAD: IPTN UNIT**
TR2. Improved affordability of public transport	TR2.1 Percentage share of monthly household income spent on public transport, for households using public transport	NO OUTPUT INDICATOR PROPOSED	**HEAD: IPTN UNIT**
TR3. Reduced travel time	TR3.1 Average public transport commuting time	TR3.11 Number of weekday scheduled municipal bus passenger trips	**HEAD: IPTN UNIT**
	TR3.2 Average private transport commuting time		**HEAD: IPTN UNIT**
TR 4. Improved satisfaction with public transport services	TR4.1 Percentage of public transport users indicating that they believe public transport to be "safe"	NO OUTPUT INDICATOR PROPOSED	**HEAD: IPTN UNIT**
	TR4.2 Percentage of public transport users indicating that they believe public transport to be "reliable"	TR4.21 Percentage of scheduled municipal bus services 'on time'	**HEAD: IPTN UNIT**
TR 5 Improved access to public transport (incl. NMT)	TR5.1 Percentage of households less than 10 minutes' walk from closest public transport access point	NO OUTPUT INDICATOR PROPOSED	**HEAD: IPTN UNIT**
	TR5.2 Percentage of persons with disability where access to public transport is difficult	TR5.21 Percentage of scheduled municipal buses that are low-entry	**HEAD: IPTN UNIT**
TR 6. Improved quality of municipal road network	TR6.1 Percentage of fatal crashes attributed to road and environmental factors	TR6.11 Percentage of unsurfaced road graded	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
		TR6.12 Percentage of surfaced municipal road lanes which has been resurfaced and resealed	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
TR 7. Improved road safety	TR7.1 Road traffic fatalities per 100 000 population	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT SOCIAL SERVICES**

Outcome	Outcome Indicators	Output Indicators	RESPONSIBILITY
	TR7.2 Average number of fatalities per fatal crash		**HEAD OF DEPARTMENT SOCIAL SERVICES**

Water and Sanitation

Outcome	Outcome Indicators	Output Indicators	
WS1. Improved access to sanitation	WS1.1 Percentage of households with access to basic sanitation	WS1.11 Number of new sewer connections meeting minimum standards	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
WS2. Improved access to water	WS2.1 Percentage of households with access to basic water supply	WS2.11 Number of new water connections meeting minimum standards	**ENGINEERING SERVICES**
WS3. Improved quality of water and sanitation services (revised from continuity of services)	WS3.1 Frequency of sewer blockages	WS3.11 Percentage of complaints/callouts responded to within 24 hours (sanitation/wastewater)	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
	WS3.2 Frequency of water mains failures	WS3.21 Percentage of complaints/callouts responded to within 24 hours (water)	**ENGINEERING SERVICES ENGINEERING SERVICES**
	WS3.3 Frequency of unplanned water service interruptions	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
WS4. Improved quality of water (incl. wastewater)	WS4.1 Percentage of drinking water compliance to SANS241	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
	WS4.2 Wastewater quality compliance according to the water use license	WS4.21 Percentage of industries with trade effluent inspected for compliance	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
		WS4.22 Percentage of wastewater safely treated	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
WS5. Improved water sustainability	WS5.1 Percentage of non-revenue water	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
	WS5.2 Total water losses	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
	WS5.3 Total per capita consumption of water	WS5.31 Percentage of total water connections metered	**HEAD OF DEPARTMENT ENGINEERING SERVICES**
	WS5.4 Percentage water reused	NO OUTPUT INDICATOR PROPOSED	**HEAD OF DEPARTMENT ENGINEERING SERVICES**

Back 2 Basics compliance indicators

The following indicators and questions are included as part of a compliance requirement in line with the need expressed by the Department of Cooperative Governance and Traditional Affairs.

No.	Compliance indicators	RESPONSIBILITY
C1.	Number of signed performance agreements by the MM and section 56 managers:	**CITY MANAGER**
C2.	Number of Exco or Mayoral Executive meetings held in this quarter:	**CITY MANAGER**
C3.	Number of Council portfolio committee meetings held in this quarter:	**CITY MANAGER**
C4.	Number of MPAC meetings held in this quarter:	**CITY MANAGER**
C5.	Number of traditional councils within your municipal boundary:	**CITY MANAGER**
C6.	Number of formal (minuted) meetings between the Mayor, Speaker, Chief Whip and MM were held in the quarter to deal with municipal matters:	**CITY MANAGER**
C7.	Number of formal (minuted) meetings - to which all senior managers were invited- held in the quarter:	**CITY MANAGER**
C8.	Number of councillors completed training in this quarter:	**CITY MANAGER**
C9.	Number of municipal officials completed training in this quarter:	**HEAD CORPORATE SERVICES**
C10.	Number of work stoppages occurring in the quarter:	**HEAD CORPORATE SERVICES**
C11.	Number of litigation cases instituted by the municipality in the quarter:	**HEAD CORPORATE SERVICES**
C12.	Number of litigation cases instituted against the municipality in the quarter:	**HEAD CORPORATE SERVICES**
C13.	Number of forensic investigations instituted in the quarter:	**CITY MANAGER**
C14.	Number of forensic investigations conducted in the quarter:	**CITY MANAGER**
C15.	Number of days of sick leave taken by employees in the quarter:	**HEAD CORPORATE SERVICES**
C16.	Number of permanent employees employed at the end of the quarter:	**HEAD CORPORATE SERVICES**
C17.	Number of temporary employees employed at the end of the quarter:	**HEAD CORPORATE SERVICES**
Q1.	Does the municipality have an approved Performance Management Framework?	**CITY MANAGER**
Q2.	Has the IDP been adopted by Council by the target date?	**CITY MANAGER**
Q3.	Does the municipality have an approved LED Strategy?	**HEAD ECONOMIC AND RURAL DEVELOPMENT**
Q4.	What are the main causes of work stoppage in the past quarter by type of stoppage?	**HEAD CORPORATE SERVICES**