

# MANGAUNG METROPOLITAN MUNICIPALITY

## ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY FRAMEWORK

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

**2022/2027**



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## Definitions

<b>Baseline</b>	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.
<b>Monitoring</b>	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.
<b>Evaluation</b>	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.
<b>Key Performance Indicator</b>	Measures (qualitative and quantitative) that whether progress is being made towards achieving set objectives.
<b>Input indicators</b>	An indicator that measures equipment, resources, economy and efficiency.
<b>Output indicators</b>	An indicator that measures results.
<b>Outcome Indicators</b>	An indicator that measures the impact of reaching the target.
<b>Outcomes -led Planning</b>	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
<b>Performance targets</b>	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 strengthening organisational performance.*
- **Service Delivery Improvements :** *Strengthen service delivery as a top priority for economic growth.*
- **Financial Health Improvements :** *Implement a financial recovery plan that 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-directorate 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 objective 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-directorate 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
<b>Process plan advertised on the website, local press and on notice boards</b>	Ensure inclusion of key deadlines for Performance Monitoring in IDP Process Plan
<b>Strategic issues Workshop with senior Municipal officials</b>	Ensure that identified strategic issues are reflected in the SDBIP
<b>Prepare first draft of IDP based on Strategic Issues Workshop</b>	Submit the SDBIP to IDP Office for inclusion in the IDP
<b>Prepare second IDP draft based on public comments</b>	Ensure the SDBIP in the IDP is updated according to public comments, where applicable

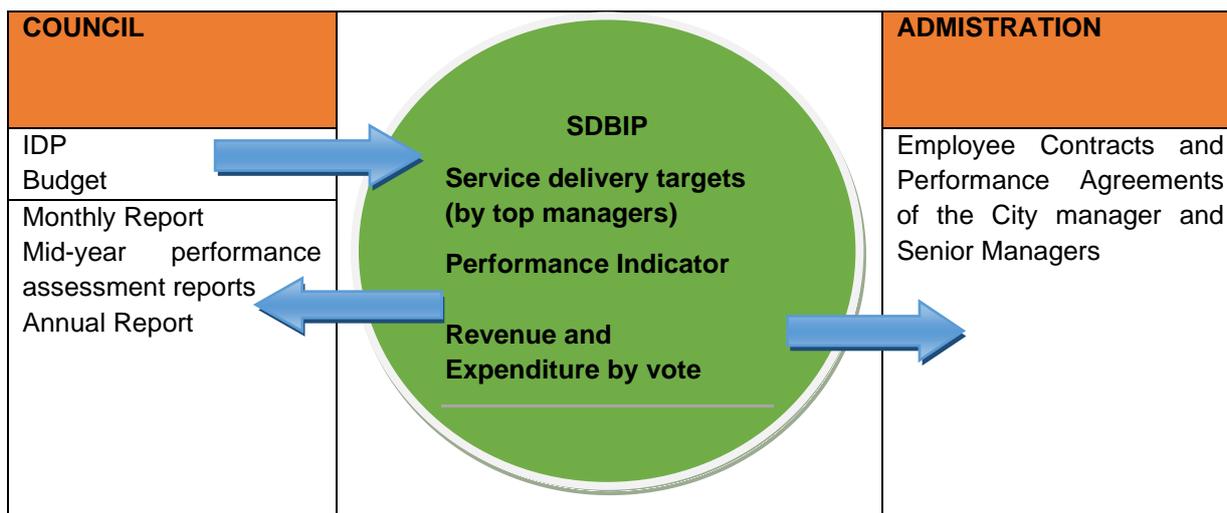
**Table 1. Relationship between IDP and Performance Monitoring**

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:



**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:

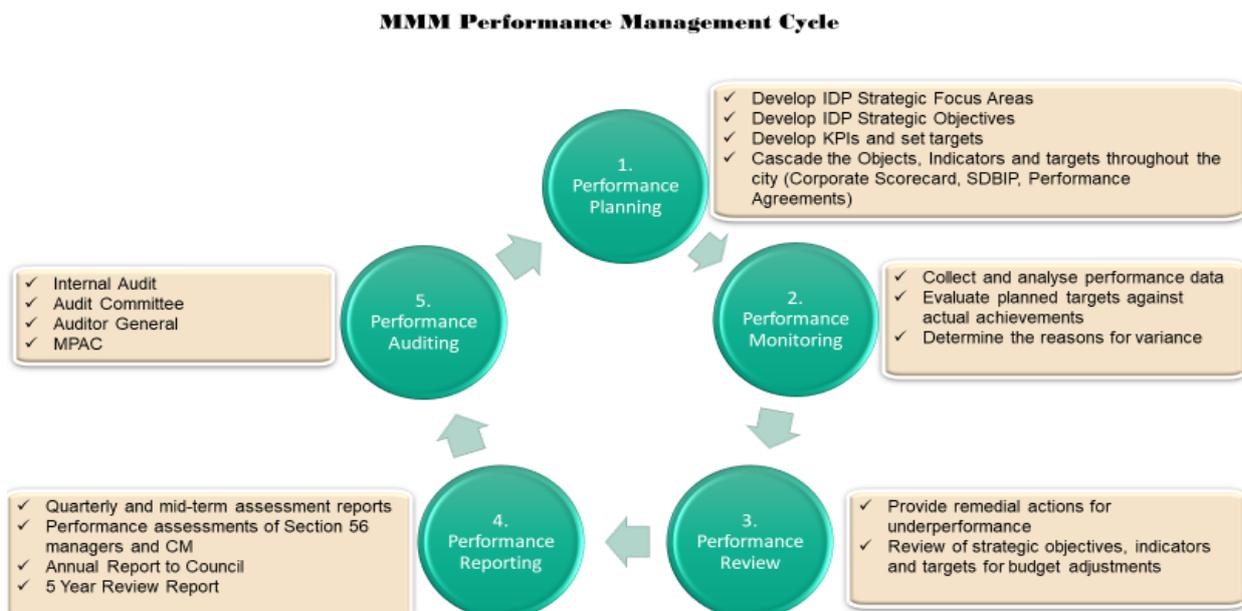


Figure 3: MMM Performance Management Cycle

## 7.1 Performance Planning

The first phase of the cycle is the performance planning and is aimed at ensuring that the foundation of performance is the strategic direction encapsulated in the IDP of the municipality. The IDP must outline 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 an 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

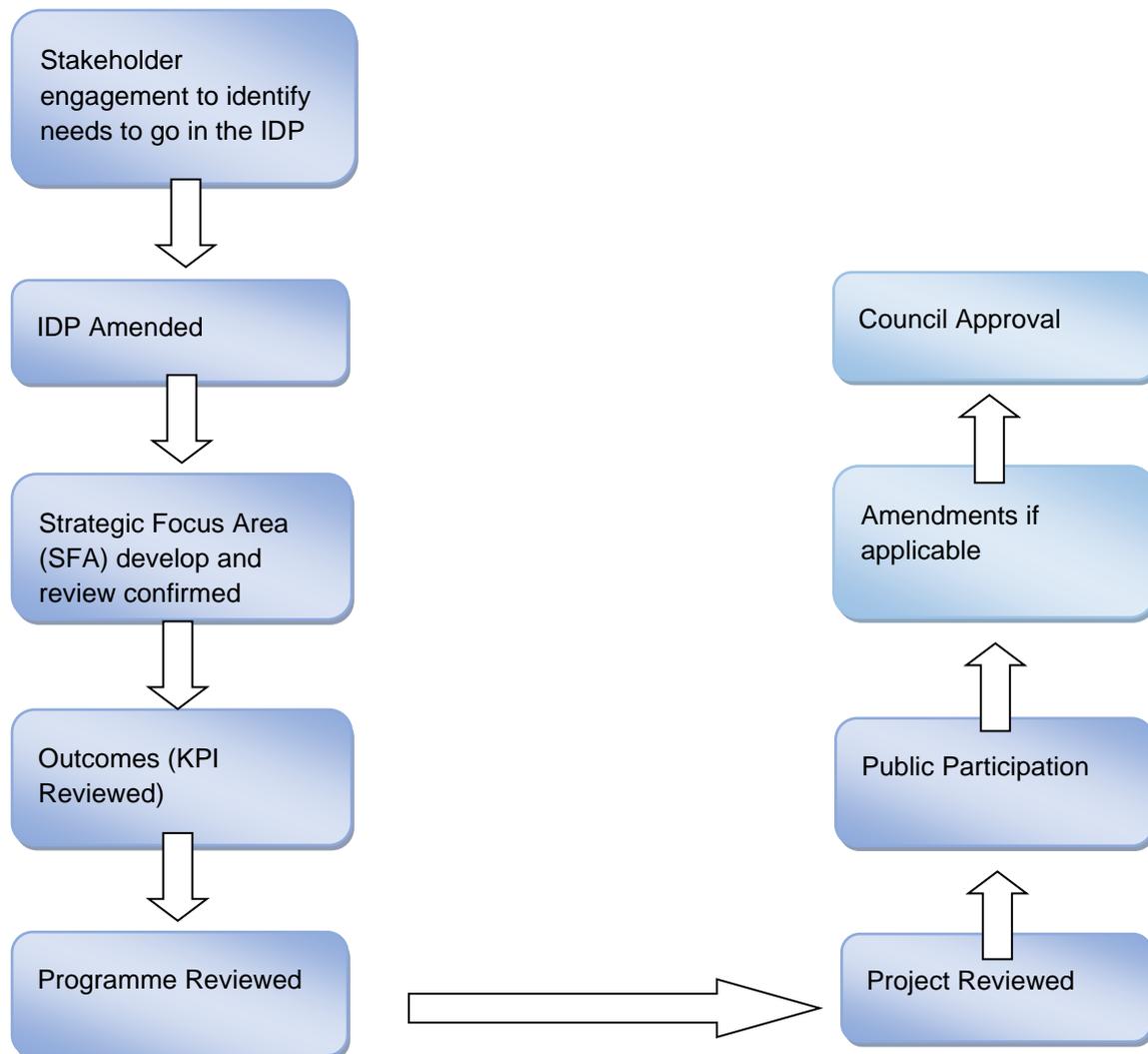
KPI definitions provide further detail regarding the KPI and define any of the terms that may be open to interpretation. KPI definitions must be provided by each KPI owner or their delegated representative for every KPI. If KPIs are amended during the mid-term amendment process, the KPI definition needs 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 the evidence that will be provided to show that the step is complete. If targets are measured in numbers, the milestone definition provides an 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),
- ✓ Year 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	<ul style="list-style-type: none"> <li>• Performance information must be presented using the National Treasury guidelines</li> <li>• Actual performance information in tables and other information included in the annual report must be consistent</li> </ul>

**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
<b>Quarterly progress report</b>	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.
<b>Mid-year performance assessment (assessment and report due by 25 January each year)</b>	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.

<b>Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)</b>	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.
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**Table 4: Reporting Frequency 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:

<b>Internal Auditing of Performance Reports</b>	<b>External Auditing of Performance Reports</b>
<p><b>According to the Municipal System Act Regulation 14(1)</b></p> <p>(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</p> <p>(b) Any auditing in terms of paragraph (a) must include assessments of the following:</p> <p style="padding-left: 20px;">(i) <i>The functionality of the municipality’s Performance Monitoring and Evaluation system</i></p> <p style="padding-left: 20px;">(ii) <i>whether the municipality’s performance monitoring and evaluation system complies with the Act; and</i></p> <p style="padding-left: 20px;">(iii) <i>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</i></p> <p>(c) A municipality’s internal auditors must-</p> <p style="padding-left: 20px;">(i) on a continuous basis audit the performance measurements of the municipality; and</p> <p style="padding-left: 20px;">(ii) Submit quarterly report on their audits to the city manager and the performance audit committee referred to sub-regulation (2)</p>	<p><b>Auditor General, Auditing Performance (Public Audit Act, 2004 (Act No.25 of 2004))</b></p> <p>Auditing of performance against predetermined objectives – Section 20 (2) (c) and 28 (1) of the PAA</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3. The following are the sources of criteria against which the subject matter will be evaluated as a basis for the audit conclusion: <ul style="list-style-type: none"> <li>✓ All relevant laws and regulations</li> <li>✓ Framework for the managing of programme performance information,</li> </ul> </li> </ol>

	✓ 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.
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**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”.

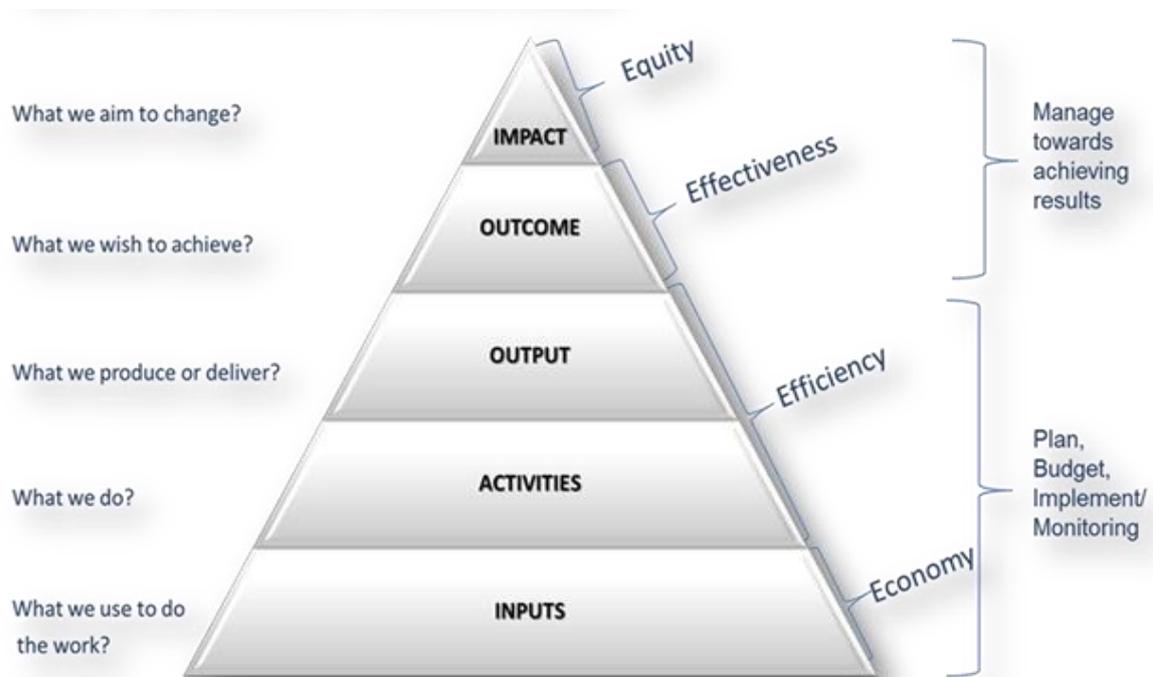
Output indicators: the final products, or goods and services produces for delivery. Outputs may be defined as “what we produce or deliver”.

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 or 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 indicators 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 is 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. The 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

- 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 unintended consequences and encourage service delivery improvement, not only give managers 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.

<b>Role player</b>	<b>Role</b>
<b>Community</b>	<ul style="list-style-type: none"> <li>➤ Participate in the drafting and review of the integrated development plan, including the setting of indicators and targets;</li> <li>➤ Makes representation on the Annual report.</li> </ul>
<b>Council</b>	<ul style="list-style-type: none"> <li>➤ Adopts and approves: <ul style="list-style-type: none"> <li>✓ <i>a process to guide the planning, drafting, adoption and review of the IDP (Process Plan);</i></li> <li>✓ <i>the PMS;</i></li> <li>✓ <i>the IDP including corporate indicators and targets;</i></li> <li>✓ <i>changes to the IDP, corporate indicators and targets;</i></li> <li>✓ <i>Annual Report.</i></li> </ul> </li> </ul>
<b>Audti Committe</b>	<ul style="list-style-type: none"> <li>➤ Reviews the reports by Interanal Audit and the Auditor General;</li> <li>➤ performance management systems focusing on economy, efficiency and effectiveness and impact;</li> <li>➤ Assesses the accomplishment of the City's goals and objectives as set out in the IDP;</li> <li>➤ Submit at least two reports per year to Council reflecting on the Committee's assessment of the performance management system.</li> </ul>
<b>Municipal Public Accounts Committee (MPAC)</b>	<ul style="list-style-type: none"> <li>➤ Reviews the City's Annual Report, including the Auditor General's report on the financial statements and responses thereto.</li> <li>➤ Compiles Oversight Report for Council adoption and approval.</li> </ul>
<b>Executive Mayor</b>	<ul style="list-style-type: none"> <li>➤ Identifies, reviews and evaluates the municipalities needs in order of priority;</li> <li>➤ Recommends to council strategies, programmes and services to address priority needs through the IDP;</li> <li>➤ Responsible for the development and management of the PMS and submits to council for adoption;</li> <li>➤ Ensures that the performance agreements of S57 employees are made public;</li> <li>➤ Assign responsibility of developing the PMS to the City Manager;</li> <li>➤ Approves the Corporate SDBIP;</li> <li>➤ Delegated his power to evaluate performance to all Mayoral Committee members, within the functional area of their relevant portfolios only;</li> <li>➤ Presents the annual report to Council for approval</li> </ul>
<b>Members of Mayoral</b>	<ul style="list-style-type: none"> <li>➤ Provides oversight on the implementation of the Directorate</li> </ul>

<b>Committee (MMCs)</b>	Business Plans and SDBIPs within the functional areas of their relevant portfolios only.
<b>City Manager</b>	<ul style="list-style-type: none"> <li>➤ Development and implementation of the PMS;</li> <li>➤ Approval of the Organisational Performance Management System Implementation Guidelines, Practice Notes and Standard Operating Procedures;</li> <li>➤ Submission of the draft SDBIP to the Executive Mayor;</li> <li>➤ Co-ordinate the compilation of the Annual report.</li> </ul>
<b>Heads of Departments</b>	<ul style="list-style-type: none"> <li>➤ Approves the Performance Indicator Measurement Sheets;</li> <li>➤ Approves auditable indicators and targets;</li> <li>➤ Ensure that plans are in place to meet set targets;</li> <li>➤ Implements performance improvement measures approved by the Mayor and Council;</li> <li>➤ Ensure that accurate, reliable and evidenced performance results are provided for performance measures on a quarterly basis;</li> <li>➤ Ensures that evidence to support the performance achievements is collected, stored and submitted.</li> </ul>
<b>General Managers and Managers</b>	<ul style="list-style-type: none"> <li>➤ Develops the Performance Indicator Measurement Sheets that are relevant to them;</li> <li>➤ Develop and implement auditable indicators and targets as approved by council;</li> <li>➤ Develops plans to meet set targets;</li> <li>➤ Provides accurate, reliable and evidenced performance results for performance measures on a quarterly basis;</li> <li>➤ Collects, stores and submits evidence to support the performance achievements.</li> </ul>
<b>IDP and Performance Management Unit</b>	<ul style="list-style-type: none"> <li>➤ Prepare SDBIP for the new financial year</li> <li>➤ Gather supporting documents (KPI definitions, Project plan) &amp; verification thereof</li> <li>➤ Coordinates and Prepare Mid-Term Amendment to the SDBIP</li> <li>➤ Coordinates and develop the consolidated Quarterly, Mid-term and Annual Reports for Council</li> <li>➤ Manages the electronic organisational management systems</li> </ul>
<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>➤ Provide assurance on performance management</li> <li>➤ Audit the PMS systems and performance information</li> </ul>

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

## 10. Policy Implementation

### 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 electronic IT 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 municipality must 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 transformation 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 from 2018/19, Circular 88 has been refined in an addendum issued in December 2019 and December 2021. 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:

- Economic Development
- Electricity & Energy
- Environment & Waste
- Fire & Disaster
- Governance
- Housing & Community Facilities.

- Transport & Roads
- Water & Sanitation
- Financial Management
- Compliance Questions and Indicators

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 requirement 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 (2021)

Below are a sets out the 304 municipal indicators introduced by MFMA Circular No. 88 and differentially applied across four categories<sup>1</sup> of municipality: metro; intermediate city; district and local municipality. Each indicator is introduced on a readiness scale of Tier 1 (T1) - Tier 4 (T4) per municipal category. Furthermore the detailed 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. They have been adopted for implementation in the 2022/23 local government financial year by the Joint Planning, Budgeting and Reporting Reform Steering Committee with institutional representation from across the centre of government.

Based on the experience of MFMA Circular No. 88 implementation to date, and with the benefit of sector and municipal feedback, expansion to the indicator set and revisions to the level of readiness of the indicators have been made. The following tables gives guidance on codes and colouring per sector.

Code	Meaning
	Indicator is Tier 1 or Tier 2 level of readiness and should be applied in the 2021/22 planning, budgeting and reporting cycle for at least one category of municipality.
	Indicator is Tier 3 or Tier 4 level of readiness and is not yet ready for standardised reporting in any municipal category.
<b>M</b>	Metropolitan municipalities.
<b>I</b>	Intermediate cities, also known at secondary cities.
<b>D</b>	District municipalities.
<b>L</b>	Local municipalities.

Code	Meaning
<b>T1</b>	Tier 1 readiness
<b>T2</b>	Tier 2 readiness
<b>T3</b>	Tier 3 readiness
<b>T4</b>	Tier 4 readiness

## Energy & Electricity

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
EE1. Improved access to electricity	EE1.1. Percentage of households with access to electricity		T1	T3	N/A	T3
		EE1.11 Number of dwellings provided with connections to the mains electricity supply by the municipality	T1	T1	N/A	T1
		EE 1.12 Number of dwellings provided with connections to the mains supply by Eskom within municipal area	T3	T4	N/A	T4
		EE1.13 Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	T2	T3	N/A	T3
EE2. Improved affordability of electricity	EE2.1 Percentage of households with electricity connections receiving Free Basic Electricity		T3	T3	N/A	T3
		EE2.11 Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	T2	T3	N/A	T3
	EE2.2 Percentage of low-income households that spend more than 10% of their monthly income on electricity		T3	T4	N/A	T4
	EE2.3 Average electricity subsidy per residential municipal customer		T3	T3	N/A	T3
EE3. Improved reliability of electricity service	EE3.1 System Average Interruption Duration Index		T2	T3	N/A	T3
		EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	T1	T1	N/A	T2
	EE3.2 Customer Average Interruption Duration Index		T3	T3	N/A	T3
		EE3.21 Percentage of planned maintenance performed	T1	T2	N/A	T2
	EE3.3 System Average Interruption Frequency Index		T2	T3	N/A	T3
	EE3.4 Customer Average Interruption Frequency Index		T3	T3	N/A	T3
	EE3.5 Average System Interruption Duration Index		T2	T3	N/A	T3
EE3.6 Average System Interruption Frequency Index		T2	T3	N/A	T3	

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
EE4. Improved energy sustainability	EE4.1 Renewable energy capacity available within the municipal jurisdiction as a percentage of Eskom supply capacity to the municipality		T3	T3	N/A	T4
	EE4.11 Total renewable energy capacity available through IPPs		T3	T4	N/A	T4
	EE4.12 Installed capacity of approved embedded generators on the municipal distribution network		T1	T2	N/A	T3
	EE4.13 Percentage of municipal buildings utilising electricity from renewable electricity		T3	T3	T3	T3
	EE4.2 Electricity usage per capita		T3	T3	N/A	T3
	EE4.3 Road transport fuel usage per capita		T3	T3	N/A	T3
	EE 4.4 Percentage total electricity losses		T1	T1	N/A	T2

## Environment & Waste

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
ENV1. Improved air quality	ENV1.1 Annual number of days with GOOD air quality		T1	T3	N/A	T3
		ENV1.11 Percentage of atmospheric emission licenses (AELs) processed within guideline timeframes	T3	T3	N/A	N/A
		ENV1.12 Percentage of AQ monitoring stations providing adequate data over a reporting year	T2	T2	N/A	N/A
		ENV1.13 Percentage of municipal AEL applications captured on the National Atmospheric Emissions Inventory System	T3	T3	N/A	N/A
	ENV 1.3 Percentage of households experiencing a problem with noise pollution		T1	T3	N/A	T3
ENV2. Minimised solid waste	ENV2.1 Tonnes of municipal solid waste sent to landfill per capita		T1	T3	T2	T3
	ENV2.2 Tonnes of municipal solid waste diverted from landfill per capita		T1	T3	T2	T3
	ENV 2.3 Total collected municipal solid waste per capita		T3	T3	T3	T3
ENV3. Increased access to refuse removal	ENV3.1 Percentage of households with basic refuse removal services or better		T1	T3	N/A	T3
	ENV 3.11 Percentage of known informal settlements receiving basic refuse removal services		T1	T1	N/A	T2
	ENV 3.2 Percentage of scheduled waste service users reporting non-collection		T2	T3	N/A	T3
ENV4. Biodiversity is conserved and enhanced	ENV4.1 Ecosystem/vegetation type threat status		T4	T4	T4	T4
	ENV4.11 Percentage of biodiversity priority area within the municipality		T1	T1	T2	T2

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
	ENV4.2 Ecosystem/vegetation type protection level		T4	T4	T4	T4
		ENV4.21 Percentage of biodiversity priority areas protected	T1	T1	T2	T3
	ENV4.3 Wetland condition index		T4	T4	N/A	T4
		ENV4.31 Hectares of rehabilitated and maintained wetlands within the municipal area	T3	T3	N/A	T3
ENV5. Coastal and inland water resources maintained	ENV5.1 Recreational water quality (coastal)		T1	T1	T2	T2
		ENV5.11 Percentage of coastline with protection measures in place	T2	N/A	T4	N/A
		ENV5.12 Number of coastal water samples taken for monitoring purposes	T2	T3	T3	N/A
	ENV5.2 Recreational water quality (inland)		T2	T2	T2	T2
		ENV5.21 Number of inland water samples tested for monitoring purposes	T2	T3	T3	N/A
ENV7. Improved municipal health	ENV7.1 Incidence of gastroenteritis in an institution per 100 000 of the population		T3	N/A	T3	N/A
		ENV7.11 Percentage of all registered food premises inspected for compliance to relevant legislation	T3	N/A	T3	N/A

## Financial Management

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
FM1. Enhanced municipal budgeting and budget implementation	FM1.1 Percentage of expenditure against total budget		T1	T1	T1	T1
		FM1.11 Total Capital Expenditure as a percentage of Total Capital Budget	T1	T1	T1	T1
		FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	T1	T1	T1	T1
		FM1.13 Total Operating Revenue as a percentage of Total Operating Revenue Budget	T1	T1	T1	T1
		FM1.14 Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	T1	T1	T1	T1
	FM1.2 Municipal budget assessed as funded (Y/N) (National)		T1	T1	T1	T1
	FM1.21 Funded budget (Y/N) (Municipal)		T1	T1	T1	T1
FM2. Improved financial sustainability and liability management	FM2.1 Percentage of total operating revenue to finance total debt		T1	T1	T1	T1
	FM2.2 Percentage change in cash backed reserves reconciliation		T1	T1	T1	T1
		FM2.21 Cash backed reserves reconciliation at year end		T1	T1	T1
FM3. Improved liquidity management	FM3.1 Percentage change in cash and cash equivalent (short term)		T1	T1	T1	T1
		FM3.11 Cash/Cost coverage ratio	T1	T1	T1	T1
		FM3.12 Current ratio (current assets/current liabilities)	T1	T1	T1	T1
		FM3.13 Trade payables to cash ratio	T1	T1	T1	T1
		FM3.14 Liquidity ratio	T1	T1	T1	T1
FM4. Improved expenditure management	FM4.1 Percentage change of unauthorised, irregular, fruitless and wasteful expenditure		T1	T1	T1	T1
		FM4.11 Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	T1	T1	T1	T1
	FM4.2 Percentage of total operating expenditure on remuneration		T1	T1	T1	T1

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
	FM4.3 Percentage of total operating expenditure on contracted services		T1	T1	T1	T1
		FM4.31 Creditors payment period	T1	T1	T1	T1
FM5. Improved asset management	FM5.1 Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure		T1	T1	T1	T1
		FM5.11 Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)	T1	T1	T1	T1
		FM5.12 Percentage of total capital expenditure funded from capital conditional grants	T1	T1	T1	T1
	FM5.2 Percentage change of renewal/upgrading of existing Assets		T1	T1	T1	T1
		FM5.21 Percentage of total capital expenditure on renewal/upgrading of existing assets	T1	T1	T1	T1
	FM5.3 Percentage change of repairs and maintenance of existing infrastructure	FM5.22 Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment	T1	T1	T1	T1
			T1	T1	T1	T1
		FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property	T1	T1	T1	T1
FM6. Improved supply chain management	FM6.1 Percentage change in the amount of irregular expenditure a result of SCM transgressions		T3	T3	T3	T3
		FM6.11 Turnaround time to make final award in terms of exemption from SCM Reg 4(3) and 29(2)	T3	T3	T3	T3
		FM6.12 Percentage of awarded tenders [over R200k], published on the municipality's website	T1	T1	T1	T1
		FM6.13 Percentage of tender cancellations	T1	T1	T1	T1
		FM6.14 Percentage of awards for high value / impact infrastructure projects (advertised v/s awards)	T3	T3	T3	T3
FM7. Improved revenue and debtors management	FM7.1 Percentage change in Gross Consumer Debtors' (Current and Non-current)		T1	T1	T1	T1
		FM7.11 Debtors payment period	T1	T1	T1	T1
		FM7.12 Collection rate ratio	T1	T1	T1	T1
	FM7.2 Percentage of Revenue Growth excluding capital grants	T1	T1	T1	T1	
	FM7.3 Percentage of net operating surplus margin	T1	T1	T1	T1	

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
		FM7.31 Net Surplus /Deficit Margin for Electricity	T1	T1	T1	T1
		FM7.32 Net Surplus /Deficit Margin for Water	T1	T1	T1	T1
		FM7.33 Net Surplus /Deficit Margin for Wastewater	T1	T1	T1	T1
		FM7.34 Net Surplus /Deficit Margin for Refuse	T1	T1	T1	T1
	FM7.4 Number of residential properties in the billing system as a percentage of residential properties in the valuation roll		T3	T3	N/A	T3
	FM7.5 Number of non-residential properties in the billing system as a percentage of non-residential properties in the valuation roll		T3	T3	N/A	T3

### Fire and disaster services

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
FD1. Mitigated effects of fires and disasters	FD 1.1 Number of fire related deaths per 100 000 population		T2	T3	T3	T3
		FD 1.11 Percentage compliance with the required attendance time for structural firefighting incidents	T2	T2	T2	T2
	FD 1.2 Number of disaster and extreme weather-related deaths per 100 000 population		T2	T3	T3	T3

## Governance

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
GG1. Improved municipal capability	GG 1.1 Percentage of municipal skills development levy recovered		T1	T1	T2	T2
	GG 1.2 Top Management Stability		T2	T2	T2	T2
		GG 1.21 Staff vacancy rate	T1	T1	T2	T2
		GG1.22 Percentage of vacant posts filled within 3 months	T2	T2	T2	T2
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)		T2	T2	N/A	T2
		GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	T2	T2	N/A	T2
		GG 2.12 Percentage of wards that have held at least one councillor-convened community meeting	T2	T2	N/A	T2
	GG 2.2 Attendance rate of municipal council meetings by participating leaders (recognised traditional and/or Khoi-San leaders)		T2	T2	T2	T2
	GG2.3 Protest incidents reported per 10 000 population		T2	T2	T3	T4
		GG2.31 Percentage of official complaints responded to through the municipal complaint management system	T2	T2	T2	T2
GG3. Improved municipal administration	GG 3.1 Audit Opinion		T1	T2	T1	T1
		GG 3.11 Number of repeat audit findings	T1	T1	T1	T1
		GG 3.12 Percentage of councillors who have declared their financial interests	T1	T1	T2	T2

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
		GG 3.13 Percentage of administrative staff who have declared their financial interests	T3	T3	T3	T3
GG4. Improved council functionality	GG 4.1 Percentage of councillors attending council meetings		T1	T1	T2	T2
	GG 4.2 Functionality of the Municipal Public Accounts Committee (MPAC)		T3	T3	T3	T3
GG5. Zero tolerance of fraud and corruption	GG 5.1 Number of alleged fraud and corruption cases reported per 100 000 population		T2	T3	T3	T3
		GG 5.11 Number of active suspensions longer than three months	T2	T2	T2	T2
		GG 5.12 Quarterly salary bill of suspended officials	T2	T2	T2	T2
	GG 5.2 Number of dismissals for fraud and corruption per 100 000 population		T2	T3	T2	T3
	GG 5.3 Number of convictions for fraud and corruption by city officials per 100 000 population		T3	T3	T3	T3

## Housing & Community Facilities

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
HS1. Improved access to adequate housing	HS1.1 Percentage of households living in adequate housing		T1	T3	N/A	N/A
		HS1.11 Number of subsidised housing units constructed using various Human Settlements Programmes	T2	T3	N/A	N/A
		HS1.12 Number of serviced sites	T1	T1	N/A	N/A
		HS1.13 Hectares of land acquired for human settlements in Priority Housing Development Areas	T2	T3	N/A	T3
	HS1.2 Title deed backlog ratio		T3	T3	N/A	N/A
		HS1.21 Average number of days taken to register the title deed	T3	T3	N/A	N/A
		HS1.22 Number of title deeds registered to beneficiaries	T2	T3	N/A	N/A
	HS1.3 Percentage of informal settlements upgraded to Phase 3		T2	T3	N/A	N/A
		HS1.31 Number of informal settlements assessed (enumerated and classified)	T1	T1	N/A	N/A
		HS1.32 Number of informal settlements upgraded to Phase 2	T2	T3	N/A	N/A
HS2. Improved functionality of the residential property market	HS2.1 Percentage of property market transactions in the gap and affordable housing market range		T3	T3	N/A	N/A
		HS2.11 Number of FLISP opportunities in the affordable gap market	T3	T3	N/A	N/A
	HS2.2 Percentage of residential properties in the subsidy market		T2	T3	N/A	N/A
		HS2.21 Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	T1	T1	N/A	N/A

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
		HS2.22 Average number of days taken to process residential building applications of 500 square meters or less	T2	T2	N/A	N/A
	HS2.3 Percentage of households living in formal dwellings who rent		T1	T3	N/A	N/A
HS3. Increased access to and utilisation of social and community facilities	HS3.1 Percentage of dwellings with access to public open spaces		T3	T4	N/A	T4
		HS3.11 Percentage of expenditure on the operations and maintenance of neighbourhood parks and public outdoor spaces in poor and lower-middle income neighbourhoods	T3	T3	N/A	T3
	HS3.4 Percentage utilisation rate of sports fields		T3	T3	N/A	T3
	HS3.5 Percentage utilisation rate of community halls		T2	T2	N/A	T2
	HS3.6 Average number of library visits per library		T1	T1	N/A	T2
	HS3.7 Percentage of municipal cemetery plots available		T2	T2	N/A	T2

### Local Economic Development

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
LED1. Growing inclusive local economies	LED1.1 Gross Value Added (GVA) by the municipality per capita		T3	T3	T3	T3
		LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	T1	T2	T2	T2
	LED1.2 Employment rate in the municipal area		T3	T3	T3	T3

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
		LED1.21 Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	T2	T2	T2	T2
	LED 1.3 Percentage of the labour force classified as unskilled or low-skilled		T3	T3	T3	T3
		LED 1.31 Number of individuals connected to apprenticeships and learnerships through municipal interventions	T2	T3	T3	T3
	LED 1.4 Income per capita within the municipal area		T3	T3	T3	T3
	LED 1.5 Percentage of all qualifying households in the municipal area classified as indigent		T3	T3	T3	T3
LED2. Improved levels of economic activity in municipal economic spaces	LED 2.1 Rates revenue as a percentage of the total revenue of the municipality		T2	T3	N/A	T3
		LED2.11 Percentage of budgeted rates revenue collected	T2	T3	N/A	T4
		LED 2.12 Percentage of the municipality's operating budget spent on indigent relief for free basic services	T1	T2	T2	T2
	LED 2.2 Rateable value of commercial and industrial property per capita		T2	T3	N/A	T3
	LED 2.3 Percentage of economic nodes in the municipality experiencing year on year growth		T3	T3	N/A	T3
		LED 2.31 Percentage of economic nodes within the municipality with urban management arrangements in place	T3	T3	N/A	N/A
		LED 2.32 Percentage of economic nodes within the municipality with transversal nodal development plans in place	T3	T3	N/A	N/A
LED3. Improved ease of doing business within the municipal area	LED3.1 Average cost to a business to apply for a construction permit with a municipality		T3	T3	N/A	T4
		LED3.11 Average time taken to finalise business license applications	T2	T2	N/A	T2

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
		LED 3.12 Average time taken to finalise informal trading permits	T2	T3	N/A	T3
		LED 3.13 Average number of days taken to process building application of 500 square meters or more	T2	T3	N/A	T3
	LED3.2 Average cost to transfer a property as a percentage of total property value		T3	T4	N/A	T4
		LED3.21 Percentage of revenue clearance certificates issued within 10 working days from the time of completed application received	T2	T3	N/A	T3
	LED 3.3 R-value of investment inflows		T3	T4	N/A	T4
		LED3.31 Average number of days from the point of advertising to the letter of award per 80/20 procurement process	T2	T2	T2	T2
		LED3.32 Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission	T1	T2	T2	T2
	LED 3.4 Average change in the R-value of Commercial Property within the municipality		T3	T4	N/A	T4

## Transport & Roads

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
TR2. Improved affordability of public transport	TR2.1 Percentage share of monthly income spent on public transport, for households using public transport		T3	T3	N/A	N/A
		TR2.11 Cost per passenger KM of municipal public transport	T3	T3	N/A	N/A
TR 4. Improved satisfaction with public transport services	TR4.1 Percentage of respondents indicating that they believe public transport to be "safe"		T3	T3	N/A	N/A
	TR4.2 Percentage of respondents indicating that they believe public transport to be "reliable"		T3	T3	NA	N/A

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
		TR4.21 Percentage of municipal bus services 'on time'	T2	T2	N/A	N/A
TR 5. Improved access to public transport (incl. NMT)	TR5.1 Percentage of households less than 10 minutes' walk from scheduled public transport		T3	T3	N/A	N/A
		TR5.11 Number of scheduled public transport access points added	T1	T1	T2	N/A
	TR5.2 Percentage of dwelling units within 500m of scheduled public transport service		T3	T3	N/A	N/A
	TR5.3 Percentage of persons with disability where access to public transport is problematic		T3	T3	T4	N/A
	TR5.4 NMT paths as a percentage of the total municipal road network length	TR5.31 Percentage of scheduled municipal bus service stops that are universally accessible	T1	T1	T4	N/A
		TR5.41 Length of NMT paths built	T3	T3	T4	T4
TR 6. Improved quality of municipal road network	TR6.1 Percentage of fatal crashes attributed to road and environmental factors		T3	T3	T3	T3
		TR6.11 Percentage of unsurfaced road graded	T1	T1	T2	T2
		TR6.12 Percentage of surfaced municipal road lanes which has been resurfaced and resealed	T1	T1	T2	T2
		TR6.13 KMs of new municipal road network	T2	T2	T2	T2
	TR 6.2 Number of potholes reported per 10kms of municipal road network		T2	T2	T2	T2
TR 6.21 Percentage of reported pothole complaints resolved within standard municipal response time		T2	T2	T2	T2	
TR 7. Improved road safety	TR7.1 Road traffic fatalities per 100 000 population		T3	T3	T3	T3
	TR7.2 Average number of fatalities per fatal crash		T3	T3	T3	T3

## Water & Sanitation

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers			
			M	I	D	L
WS1. Improved access to sanitation	WS1.1 Percentage of households with access to basic sanitation		T1	T3	T3	T3
		WS1.11 Number of new sewer connections meeting minimum standards	T1	T1	T1	T1
WS2. Improved access to water	WS2.1 Percentage of households with access to basic water supply		T1	T3	T3	T3
		WS2.11 Number of new water connections meeting minimum standards	T1	T1	T1	T1
WS3. Improved quality of water and sanitation services	WS3.1 Frequency of sewer blockages per 100 KMs of pipeline		T1	T1	T2	T2
		WS3.11 Percentage of callouts responded to within 24 hours (sanitation/wastewater)	T2	T2	T2	T2
	WS3.2 Frequency of water mains failures per 100 KMs of pipeline		T1	T1	T2	T2
		WS3.21 Percentage of callouts responded to within 24 hours (water)	T2	T2	T2	T2
	WS3.3 Frequency of unplanned water service interruptions		T1	T1	T2	T2
	WS3.4 Percentage of customers satisfied with water and sanitation services		T4	T4	T4	T4
WS4. Improved quality of water (incl. wastewater)	WS4.1 Percentage of drinking water samples complying to SANS241		T1	T1	T2	T2
		WS4.11 Percentage of water treatment capacity unused	T2	T3	T3	T3
	WS4.2 Percentage of wastewater samples compliant to water use license conditions		T1	T1	T2	T2

Outcome	Outcome Indicators	Output Indicators	Readiness Tiers				
			M	I	D	L	
		WS4.21 Percentage of industries with trade effluent inspected for compliance	T2	T3	T3	T3	
		WS4.22 Percentage of wastewater safely treated	T3	T3	T3	T3	
		WS4.3 Percentage of wastewater effluent volume complying with license conditions (weighted by flows by plant)	T3	T3	T3	T3	
		WS4.31 Percentage of wastewater treatment capacity unused	T2	T3	T3	T3	
		WS4.4 Green drop score	T3	T3	T3	T3	
		WS4.5 Blue drop score	T3	T3	T3	T3	
	WS5. Improved water sustainability	WS5.1 Percentage non-revenue water		T1	T1	T2	T2
WS5.2 Total water losses			T1	T1	T2	T2	
		WS5.21 Infrastructure leakage index		T2	T3	T3	T3
WS5.3 Total per capita consumption of water				T1	T3	T3	T3
		WS5.31 Percentage of total water connections metered		T1	T1	T2	T2
WS5.4 Percentage of water reused				T2	T2	T2	T2

## Compliance indicators and questions

### 1.1 Compliance indicators

The following indicators are for planning and reporting for compliance purposes. No target setting is required for these indicators or questions. Please refer to the full TIDs for more information on their rationale, frequency of reporting and categorical application.

Number	Compliance indicators	Indicator application			
		M	I	D	L
C1 (GG)	Number of signed performance agreements by the MM and section 56 managers:	Y	Y	Y	Y
C2 (GG)	Number of Executive Committee or Mayoral Executive meetings held	Y	Y	Y	Y
C3 (GG)	Number of Council portfolio committee meetings held	Y	Y	Y	Y
C4 (GG)	Number of MPAC meetings held	Y	Y	Y	Y
C5 (GG)	Number of recognised traditional leaders within your municipal boundary	Y	Y	Y	Y
C6 (GG)	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters	Y	Y	Y	Y
C7 (GG)	Number of formal (minuted) meetings - to which all senior managers were invited- held	Y	Y	Y	Y
C8 (GG)	Number of councillors completed training	Y	Y	Y	Y
C9 (GG)	Number of municipal officials completed training	Y	Y	Y	Y
C10 (GG)	Number of work stoppages occurring	Y	Y	Y	Y
C11 (GG)	Number of litigation cases instituted by the municipality	Y	Y	Y	Y
C12 (GG)	Number of litigation cases instituted against the municipality	Y	Y	Y	Y
C13 (GG)	Number of forensic investigations instituted	Y	Y	Y	Y
C14 (GG)	Number of forensic investigations conducted	Y	Y	Y	Y
C15 (GG)	Number of days of sick leave taken by employees	Y	Y	Y	Y
C16 (GG)	Number of permanent employees employed	Y	Y	Y	Y
C17 (GG)	Number of temporary employees employed	Y	Y	Y	Y
C18 (GG)	Number of approved demonstrations in the municipal area	Y	Y	Y	Y
C19 (GG)	Number of recognised traditional and Khoi-San leaders in attendance (sum of) at all council meetings	Y	Y	Y	Y
C20 (ENV)	Number of permanent environmental health practitioners employed by the municipality	Y	Y	Y	Y
C21 (ENV)	Number of approved environmental health practitioner posts in the municipality	Y	Y	Y	Y

Number	Compliance indicators	Indicator application			
		M	I	D	L
C22 (GG)	Number of Council meetings held	Y	Y	Y	Y
C23 (GG)	Number of disciplinary cases for misconduct relating to fraud and corruption	Y	Y	Y	Y
C24 (GG)	Number of council meetings disrupted	Y	Y	Y	Y
C25 (GG)	Number of protests reported	Y	Y	Y	Y
C26 (GG)	R-value of all tenders awarded	Y	Y	Y	Y
C27 (GG)	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	Y	Y	Y	Y
C28 (GG)	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	Y	Y	Y	Y
C29 (GG)	Number of approved applications for rezoning a property for commercial purposes	Y	Y	Y	Y
C30 (GG)	Number of business licenses approved	N	Y	N	Y
C31 (GG)	Number of approved posts in the municipality with regard to municipal infrastructure:	N	Y	Y	Y
C32 (GG)	Number of positions filled with regard to municipal infrastructure	N	Y	Y	Y
C33 (GG)	Number of tenders over R200 000 awarded	N	Y	Y	Y
C34 (GG)	Number of months the Municipal Managers' position has been filled (not Acting)	N	Y	Y	Y
C35 (GG)	Number of months the Chief Financial Officers' position has been filled (not Acting)	N	Y	Y	Y
C36 (GG)	Number of vacant posts of senior managers	N	Y	Y	Y
C37 (GG)	Number of approved posts in the treasury and budget office	N	Y	Y	Y
C38 (GG)	Number of filled posts in the treasury and budget office	N	Y	Y	Y
C39 (GG)	Number of approved posts in the development and planning department	N	Y	Y	Y
C40 (GG)	Number of filled posts in the development and planning department	N	Y	Y	Y
C41 (GG)	Number of approved engineer posts in the municipality	Y	Y	Y	Y
C42 (GG)	Number of registered engineers employed in approved posts	Y	Y	Y	Y
C43 (GG)	Number of engineers employed in approved posts	Y	Y	Y	Y
C44 (GG)	Number of disciplinary cases in the municipality	Y	Y	Y	Y
C45 (GG)	Number of finalised disciplinary cases	Y	Y	Y	Y
C46 (ENV)	Number of approved waste management posts in the municipality	Y	Y	Y	Y
C47 (ENV)	Number of waste management posts filled	Y	Y	Y	Y
C48 (EE)	Number of approved electrician posts in the municipality	N	Y	Y	Y
C49 (EE)	Number of electricians employed in approved posts	N	Y	Y	Y

Number	Compliance indicators	Indicator application			
		M	I	D	L
C50 (WS)	Number of approved water and wastewater management posts in the municipality	N	Y	Y	Y
C51 (WS)	Number of filled water and wastewater management posts	N	Y	Y	Y
C52 (HS)	Number of maintained sports fields and facilities	Y	Y	Y	Y
C53 (HS)	Square meters of maintained public outdoor recreation space	Y	Y	Y	Y
C54 (HS)	Number of municipality-owned community halls	Y	Y	Y	Y
C55(HS)	Number of housing recipients issued with title deeds	Y	N	N	N
C56 (EE)	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	Y	Y	N	Y
C57 (EE)	Number of registered electricity consumers with a mini grid-based system in the municipal service area	Y	Y	N	Y
C58 (EE)	Total non-technical electricity losses in MWh (estimate)	Y	Y	N	Y
C59 (EE)	Number of municipal buildings that consume renewable energy	Y	Y	Y	Y
C60(WS)	Total number of sewer connections	Y	Y	Y	Y
C61 (WS)	Total number of chemical toilets in operation	Y	Y	Y	Y
C62 (WS)	Total number of Ventilation Improved Pit Toilets (VIPs)	Y	Y	Y	Y
C63 (WS)	Total volume of water delivered by water trucks	Y	Y	Y	Y
C64 (TR)	R-value of all direct municipal vehicle operational costs for public transport	Y	Y	N	N
C65 (TR)	Total number of scheduled public transport access points	Y	Y	N	N
C66 (TR)	Number of weekday passenger trips on scheduled municipal bus services	Y	Y	N	N
C67 (FD)	Number of paid full-time firefighters employed by the municipality	Y	Y	Y	Y
C68 (FD)	Number of part-time and firefighter reservists in the service of the municipality	N	Y	Y	Y
C69 (FD)	Number of 'displaced persons' to whom the municipality delivered assistance	Y	Y	Y	Y
C70 (FD)	Number of volunteer responders in the service of the municipality	N	N	Y	N
C71 (LED)	Number of procurement processes where disputes were raised	Y	Y	Y	Y
C72 (FD)	Date of the last municipal Disaster Management Plan tabled at Council	Y	N	Y	N
C73 (FD)	Number of structural fires occurring in informal settlements	Y	Y	Y	Y
C74 (FD)	Number of dwellings in informal settlements affected by structural fires (estimate)	Y	Y	Y	Y
75 (FD)	Number of people displaced within the municipal area	Y	N	Y	N
C76 (LED)	Number of SMMEs and informal businesses benefitting from municipal digitisation support programmes rolled out directly or in partnership with other stakeholders	Y	Y	Y	Y

Number	Compliance indicators	Indicator application			
		M	I	D	L
C77 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	Y	Y	Y	Y
C78 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	Y	Y	Y	Y
C79 (LED)	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	Y	Y	Y	Y
C80 (LED)	Date of the last Council adopted Development Charges policy	Y	Y	N	N
C81 (LED)	Number of new business license applications	Y	Y	N	N
C82 (LED)	Value of Commercial Projects Constructed by adding all of the estimated costs of construction values on building permits	Y	Y	N	N
C83 (LED)	Number of building plans approved after first review	Y	Y	N	N
C84(LED)	Number of building plans submitted for review	Y	Y	N	N
C85(LED)	Number of business licenses renewed	Y	Y	N	N
C86 (LED)	Number of households in the municipal area registered as indigent	Y	Y	Y	Y
C87 (LED)	Number of firms in the formal sector split across 1-digit SIC codes	Y	N	N	N
C88 (LED)	Number of businesses registered with the South African Revenue Service within the municipal area	Y	N	N	N
C89 (GG)	Number of meetings of the Executive or Mayoral Committee postponed due to lack of quorum	Y	Y	Y	Y
C90 (ENV)	Date of the last Climate Change Needs and Response Assessment tabled at Council	Y	N	Y	N
C91 (ENV)	Date of the last Climate Change Response Implementation Plan tabled at Council	Y	N	Y	N
C92 (GG)	Number of agenda items deferred to the next council meeting	Y	Y	Y	Y
C93 (FM)	Number of awards made in terms of SCM Reg 32	Y	Y	Y	Y
C94 (FM)	Number of requests approved for deviation from approved procurement plan	Y	Y	Y	Y
C95 (FM)	Number of residential properties in the billing system	Y	Y	Y	Y
C96 (FM)	Number of non-residential properties in the billing system	Y	Y	Y	Y
C97 (FM)	Number of properties in the valuation roll	Y	Y	N	Y

## 1.2 Compliance questions

The following are compliance questions requiring a periodic response from municipalities in open-text format.

No.	Compliance questions	Category of application			
		M	I	D	L
Q1.	Does the municipality have an approved Performance Management Framework?	N	Y	Y	Y
Q2.	Has the IDP been adopted by Council by the target date?	Y	Y	Y	Y
Q3.	Does the municipality have an approved LED Strategy?	N	Y	Y	Y
Q4.	What are the main causes of work stoppage in the past quarter by type of stoppage?	Y	Y	Y	Y
Q5.	How many public meetings were held in the last quarter at which the Mayor or members of the Mayoral/Executive committee provided a report back to the public?	Y	Y	Y	Y
Q6.	When was the last scientifically representative community feedback survey undertaken in the municipality?	Y	Y	Y	Y
Q7.	What are the biggest causes of complaints or dissatisfaction from the community feedback survey? Indicate the top four issues in order of priority.	Y	Y	Y	Y
Q8.	Please list the locality, date and cause of each incident of protest within the municipal area during the reporting period:	N	Y	N	Y
Q9.	Does the municipality have an Internal Audit Unit?	N	Y	Y	Y
Q10.	Is there a dedicated position responsible for internal audits?	N	Y	Y	Y
Q11.	Is the internal audit position filled or vacant?	N	Y	Y	Y
Q12.	Has an Audit Committee been established? If so, is it functional?	N	Y	Y	Y
Q13.	Has the internal audit plan been approved by the Audit Committee?	N	Y	Y	Y
Q14.	Has an Internal Audit Charter and Audit Committee charter been approved and adopted?	N	Y	Y	Y
Q15.	Does the internal audit plan set monthly targets?	N	Y	Y	Y
Q16.	How many monthly targets in the internal audit plan were not achieved?	N	Y	Y	Y
Q17.	Does the Municipality have a dedicated SMME support unit or facility in place either directly or in partnership with a relevant role-player?	Y	Y	Y	Y
Q18.	What economic incentive policies adopted by Council does the municipality have by date of adoption?	Y	Y	Y	Y
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?	Y	Y	Y	Y
Q20.	What is the number of steps a business must comply with when applying for a construction permit before final document is received?	Y	Y	N	Y
Q21.	What is the organisational location of the disaster risk management function within your municipality? (Specify the placement and highest level filled post within it).	Y	N	Y	N

**Category of application**

No.	Compliance questions	M	I	D	L
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:	Y	Y	Y	Y
Q23.	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?	Y	Y	Y	Y
Q24.	Is the MPAC functional? List the reasons why if the answer is not 'Yes'.	Y	Y	Y	Y
Q25.	Has a report by the Executive Committee on all decisions it has taken been submitted to Council this financial year?	Y	Y	Y	Y