



planning, monitoring and evaluation

Department:
Planning, Monitoring and Evaluation
REPUBLIC OF SOUTH AFRICA

LOCAL GOVERNMENT MANAGEMENT IMPROVEMENT MODEL (LGMIM)

State of Management Practices in Municipalities

For 2014/15

FEBRUARY 2016

Table of Contents

LIST OF ACRONYMS	3
LIST OF FIGURES	4
EXECUTIVE SUMMARY	7
SECTION 1: ABOUT THE LGMIM	14
Introduction	14
Background	14
LGMIM Methodology	14
LGMIM Objectives	15
LGMIM Phases	15
LGMIM Ratings	16
SECTION 2: STATE OF MANAGEMENT PRACTICES IN MUNICIPALITIES	17
OVERALL LGMIM ASSESSMENT RESULTS	17
Municipal results per management performance standard	21
KPA 1: Integrated Development Planning and Implementation	21
KPA 2: SERVICE DELIVERY	23
Standard 2.1: Access to Free Basic Services (FBS)	24
Standard 2.2: Extension of Water and Sanitation	26
Standard 2.3: Performance against the Department of Water and Sanitation Municipal Strategic Self-Assessment (MuSSA)	28
Standard 2.4: Waste Disposal	30
Standard 2.5: Refuse Collection.....	32
Standard 2.6 Extension of Electricity.....	34
Standard 2.7: Generation, transmission and distribution of electricity	36
Standard 2.8: Mapped and maintained transport network	38
KPA 3: HUMAN RESOURCE MANAGEMENT.....	40
Standard 3.1: Prescribed recruitment practices.....	41
Standard 3.2: Prescribed performance management practices.....	43
Standard 3.3 Administrative and Operational Delegations.....	45
KPA 4: FINANCIAL MANAGEMENT.....	47
Standard 4.1: Effective budget planning and management.....	48
Standard 4.2: Management of unauthorised, irregular, and or fruitless and wasteful expenditure.....	50
Standard 4.3: Revenue Management	52
4.4: Supply Chain Management.....	54
4.4.1: Supply Chain Management: Demand Management.....	54

Standard 4.4.2: Acquisition Management	56
Standard 4.4.3: Logistics Management	58
Standard 4.4.4: Disposal Management.....	60
Standard 4.5: Financial delegations.....	62
KPA 5: COMMUNITY ENGAGEMENT/PARTICIPATION	64
Standard 5.1: Functional Ward Committees	65
Standard 5.2: Service delivery charter/Service standards.....	67
KPA 6: GOVERNANCE	69
Standard 6.1: Functionality of executive structures.....	70
Standard 6.2: Responses to Audit Findings	72
Standard 6.3: Assessment of Internal Audit	74
Standard 6.4: Assessment of Audit Committee.....	76
Standard 6.5: Policies and systems to ensure professional ethics	78
Standard 6.6: Prevention of Fraud and Corruption	80
Standard 6.7: Functional risk management unit/committee	82
Overall comment on the municipal results	84
SECTION 3: FEEDBACK AND IMPROVEMENT PLANNING	85
Feedback.....	85
Improvement Planning	85
SECTION 4: LIMITATIONS, CHALLENGES AND IMPROVEMENTS.....	86
SECTION 5: CONCLUSION	87

LIST OF ACRONYMS

B2B	Back to Basics
DCoG	Department of Co-operative Governance
DPME	Department of Planning, Monitoring and Evaluation
DWS	Department of Water and Sanitation
IDP	Integrated Development Plan
KPA	Key Performance Area
LGMIM	Local Government and Management Improvement Model
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MSA	Municipal Systems Act
MuSSA	Municipal Strategic Self-Assessment
NDP	National Development Plan
NT	National Treasury
SDBIP	Service Delivery and Budget Implementation Plan
WSA	Water Services Authority
WSDP	Water Services Development Plan

LIST OF FIGURES

Figure 1: The LGMIM Cycle

Figure 2: Provincial distribution and names of 2014-15 municipalities

Figure 3: Overall Performance on KPA 1: Integrated Development Planning and Implementation

Figure 4: Overall Performance on KPA 2: Service Delivery

Figure 5: Overall Performance on KPA 3: Human Resource Management

Figure 6: Overall Performance on KPA 4: Financial Management

Figure 7: Overall Performance on KPA 5: Community Engagement/Participation

Figure 8: Overall Performance on KPA 6: Governance

Figure 9: Levels of Management Performance

Figure 10: Heat Map of the 2014/15 LGMIM Moderated scores

Figure 11: Technical versus Moderated scores for 2014/15 participants

Figure 11: Overall 2014/15 Performance on KPA 1: Integrated Development Planning and Implementation

Figure 13: Results achieved per municipality in respect of standard 1.1

Figure 14: Results achieved in respect of Standard 1.1

Figure 15: Overall 2014/15 Performance on KPA 2: Service Delivery

Figure 16: Results achieved per municipality in respect of standard 2.1

Figure 17: Results achieved in respect of Standard 2.1

Figure 18: Results achieved per municipality in respect of standard 2.2

Figure 19: Results achieved in respect of Standard 2.2

Figure 20: Results achieved per municipality in respect of standard 2.3

Figure 21: Results achieved in respect of Standard 2.3

Figure 22: Results achieved per municipality in respect of standard 2.4

Figure 23: Results achieved in respect of Standard 2.4

Figure 24: Results achieved per municipality in respect of standard 2.5

Figure 25: Results achieved in respect of Standard 2.5

Figure 26: Results achieved per municipality in respect of standard 2.6

Figure 27: Results achieved in respect of Standard 2.6

Figure 28: Results achieved per municipality in respect of standard 2.7

Figure 29: Results achieved in respect of Standard 2.7

Figure 30: Results achieved per municipality in respect of standard 2.8

Figure 31: Results achieved in respect of Standard 2.8

Figure 32: Overall 2014/15 Performance on KPA 3: Human Resource Management

Figure 33: Results achieved per municipality in respect of standard 3.1

Figure 34: Results achieved in respect of Standard 3.1

Figure 35: Results achieved per municipality in respect of standard 3.2

Figure 36: Results achieved in respect of Standard 3.2

Figure 37: Results achieved per municipality in respect of standard 3.3

Figure 38: Results achieved in respect of Standard 3.3

Figure 39: Overall 2014/15 Performance on KPA 4: Financial Management

Figure 40: Results achieved per municipality in respect of standard 4.1

Figure 41: Results achieved in respect of Standard 4.1

Figure 42: Results achieved per municipality in respect of standard 4.2

Figure 43: Results achieved in respect of Standard 4.2

Figure 44: Results achieved per municipality in respect of standard 4.3

Figure 45: Results achieved in respect of Standard 4.3

Figure 46: Results achieved per municipality in respect of standard 4.4.1

Figure 47: Results achieved in respect of Standard 4.4.1

Figure 48: Results achieved per municipality in respect of standard 4.4.2

Figure 49: Results achieved in respect of Standard 4.4.2

Figure 50: Results achieved per municipality in respect of standard 4.4.3

Figure 51: Results achieved in respect of Standard 4.4.3

Figure 52: Results achieved per municipality in respect of standard 4.4.4

Figure 53: Results achieved in respect of Standard 4.4.4

Figure 54: Results achieved per municipality in respect of standard 4.5

Figure 55: Results achieved in respect of Standard 4.5

Figure 56: Overall 2014/15 Performance on KPA 5: Community Participation/Engagement

Figure 57: Results achieved per municipality in respect of standard 5.1

Figure 58: Results achieved in respect of Standard 5.1

Figure 59: Results achieved per municipality in respect of standard 5.2

Figure 60: Results achieved in respect of Standard 5.2

Figure 61: Overall 2014/15 Performance on KPA 6: Governance

Figure 62: Results achieved per municipality in respect of standard 6.1

Figure 63: Results achieved in respect of Standard 6.1

Figure 64: Results achieved per municipality in respect of standard 6.2

Figure 65: Results achieved in respect of Standard 6.2

Figure 66: Results achieved per municipality in respect of standard 6.3

Figure 67: Results achieved in respect of Standard 6.3

Figure 68: Results achieved per municipality in respect of standard 6.4

Figure 69: Results achieved in respect of Standard 6.4

Figure 70: Results achieved per municipality in respect of standard 6.5

Figure 71: Results achieved in respect of Standard 6.5

Figure 72: Results achieved per municipality in respect of standard 6.6

Figure 73: Results achieved in respect of Standard 6.6

Figure 74: Results achieved per municipality in respect of standard 6.7

Figure 75: Results achieved in respect of Standard 6.7

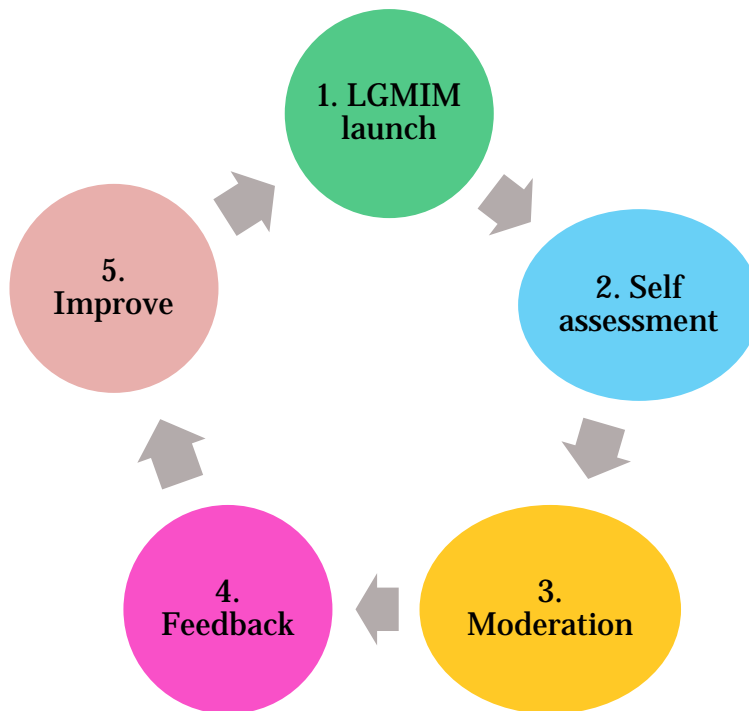
Executive Summary

The Local Government Management Improvement Model (LGMIM) is one of several initiatives utilised within the local government sphere in an attempt to support and improve the performance of municipalities. LGMIM is also a proactive approach *in support of Outcome 9* (“*Responsive, accountable, effective and efficient developmental local government system*”). It does this by identifying and resolving institutional problems, thereby ensuring that municipalities meet the minimum level of norms and standards of good institutional performance to deliver on the developmental outcomes.

The DPME, working collaboratively with the National Department of Cooperative Governance (DCoG) and various provinces assisted by relevant transversal departments, headed the development and piloting of the programme/model. The roll-out of the LGMIM is currently in its second (2nd) year since its inception and pilot. To date, a total of forty-two (42) municipalities comprising of metropolitan, district and local municipalities participated in the programme. Of the total, twelve (12) were assessed during the 2013/14 financial year in the pilot phase, while thirty (30) municipalities were assessed in the 2014/15 financial year.

The LGMIM Cycle has 5 phases as outlined below:

Figure 1: LGMIM Cycle



The LGMIM process begins with the launch, where Provincial DCoG’s express interest in the programme and nominate municipalities within their provinces to partake in the programme. LGMIM is underpinned by a rigorous self-assessment conducted by relevant senior managers in the municipality. The self-assessment is then verified by the internal audit or monitoring and evaluation unit of the municipality which verifies that the self-assessment is supported by relevant evidence and either adjusts the assessment up or down. This verified self-assessment would then be presented to the senior management team for ratification.

The verified self-assessment is then validated through an external moderation process. External moderation is a quality assurance process to verify the accuracy of the self-assessment scores. Feedback is then given to the municipality through an open and frank conversation with the senior managers. The final assessment is then used by the municipality to prepare an improvement plan to address the areas in which the assessment showed weaknesses in operational and management practice.

The LGMIM framework is built around six (6) Key Performance Areas (KPA) that are further broken down into twenty-nine (29) Management Performance Standards against which municipal performance is measured.

Fundamentally the LGMIM is a management information tool to assist the municipal leadership analyse how the organisation works against agreed standards. It enables management to consider and focus on the key management practices of a municipality, to establish how it approaches its tasks in the key performance areas and identify which performance gaps need to be addressed to ensure the delivery of quality services and improve productivity.

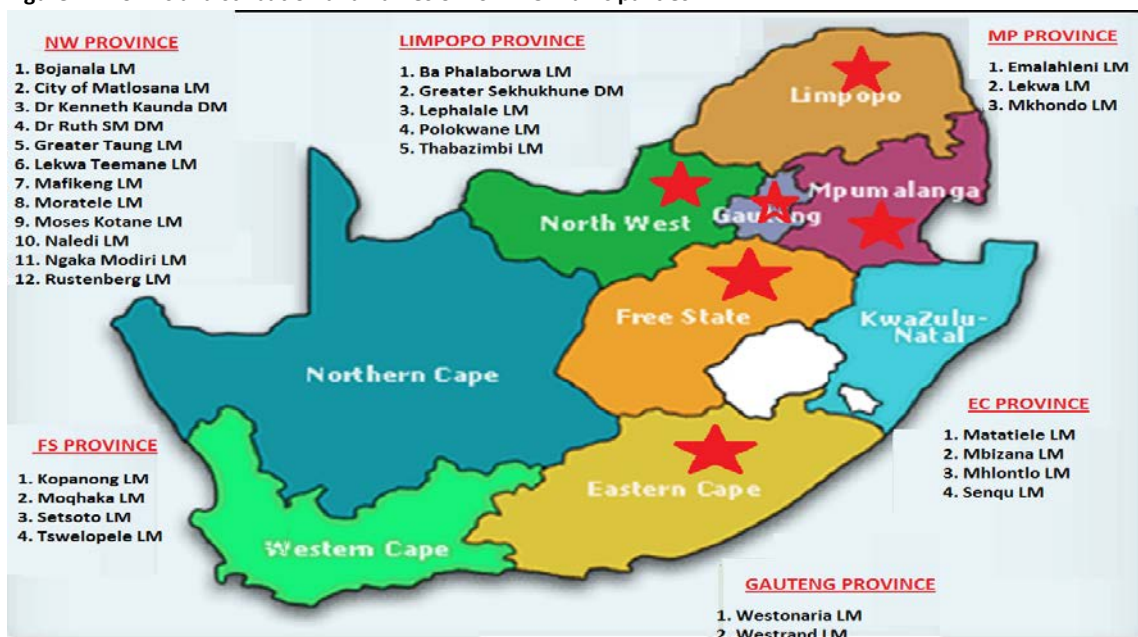
Moreover, the LGMIM can serve as a powerful enabling framework for Provincial DCoGs to carry out their mandate in terms of section 154 of the Constitution, viz. to promote the development of local government capacity and enable municipalities to perform their functions and manage their own affairs.

2014/15 LGMIM Enrolments

The identification and selection of municipalities was done by provinces with the guidance of the DPME. Six provinces responded positively, providing DPME with a list of 37 municipalities. However, it should be noted that ultimately 30 of the 37 municipalities showed sufficient commitment and effort to implement the initiative.

The names and distribution of participating municipalities for 2014-15 by province are shown in figure 2 below.

Figure 2: Provincial distribution and names of 2014-15 municipalities



Overview of the performance of the 30 municipalities

LGMIM has four (4) progressive levels of management performance and each management practice is assessed against these levels as per the table below.

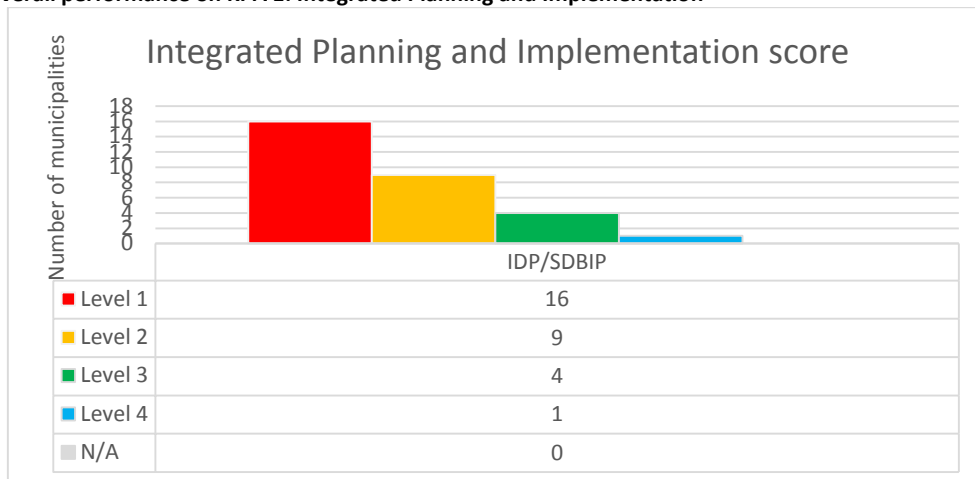
Figure 9: Levels of Management Performance

Level	Description
Level 1	The municipality lacks basic adherence to management practices in line with legal, regulatory and prescribed best practice requirements. Affected management standard require serious attention from the management team.
Level 2	The municipality has some management practices in place that partially adhere to legal, regulatory and prescribed best practice requirements. A platform exists to become fully effective, but will require some attention from the management team.
Level 3	The municipality employs management practices in line with legal, regulatory and prescribed best practice requirements. The municipality is fully effective and the management team should endeavour to sustain the good performance.
Level 4	The municipality employs management practices in line with legal, regulatory and prescribed best practice requirements and shows innovation. The municipality is commended for this achievement and encouraged to sustain the outstanding performance.

KPA 1: Integrated Planning and Implementation

For this KPA, almost two thirds (16 out of 30) scored at Level 1 and a further 9 at Level 2. While a Level 2 score suggests that a sound platform exists for the municipality to become fully effective the results do suggest that although the practice of integrated planning and implementation through the IDP and the SDBIP may appear institutionalised, gaps still exist in how practical implementation may be achieved. This is particularly evident in respect of SDBIPS not containing detailed capital works plans and expenditure by ward.

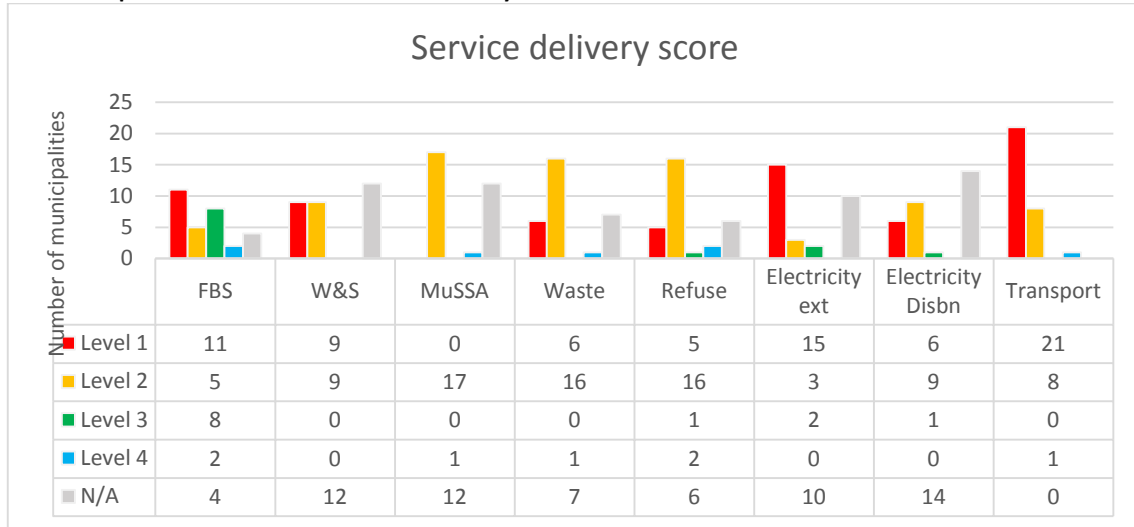
Figure 3: Overall performance on KPA 1: Integrated Planning and Implementation



KPA 2: Service delivery

For this KPA, participating municipalities performed largely at either level 1 or 2 with very few exceptions in one or two isolated standards.

Figure 4: Overall performance on KPA 2: Service Delivery

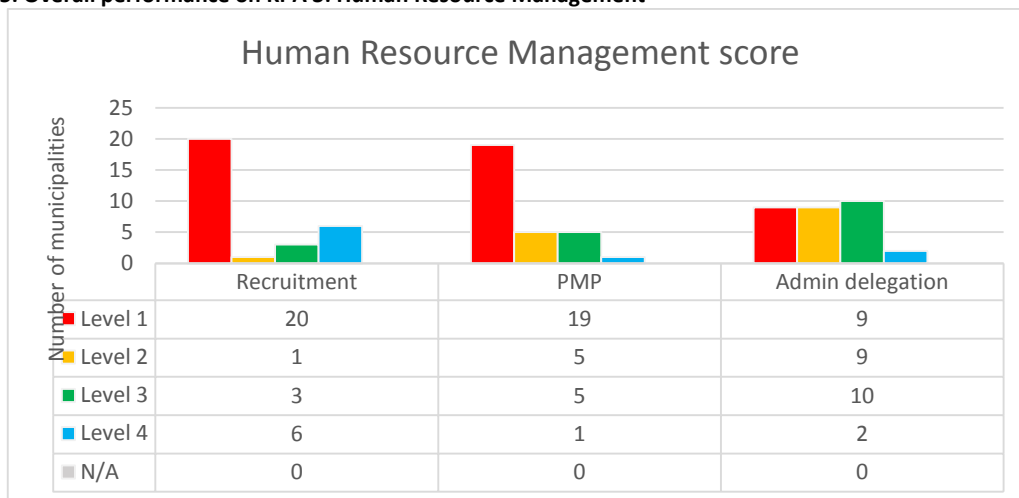


Access to free basic services, extension and operation and maintenance of electricity and road networks in particular require serious attention. In the areas of water, sanitation and refuse removal services most municipalities scored at Level 2. Additional effort will therefore be needed for municipalities to improve performance to Level 3 in these services.

KPA 3: Human Resource Management

Of the 3 standards making up this KPA, municipalities performed poorly in 2 of the core human resource management standards, viz. prescribed recruitment practices and performance management practices. This indicates that municipalities are having difficulty complying with the Regulation 493 on minimum competency levels as well effective management of the performance of senior managers. While the standard on delegations showed better results, there is room for improvement in 18 of the 30 municipalities.

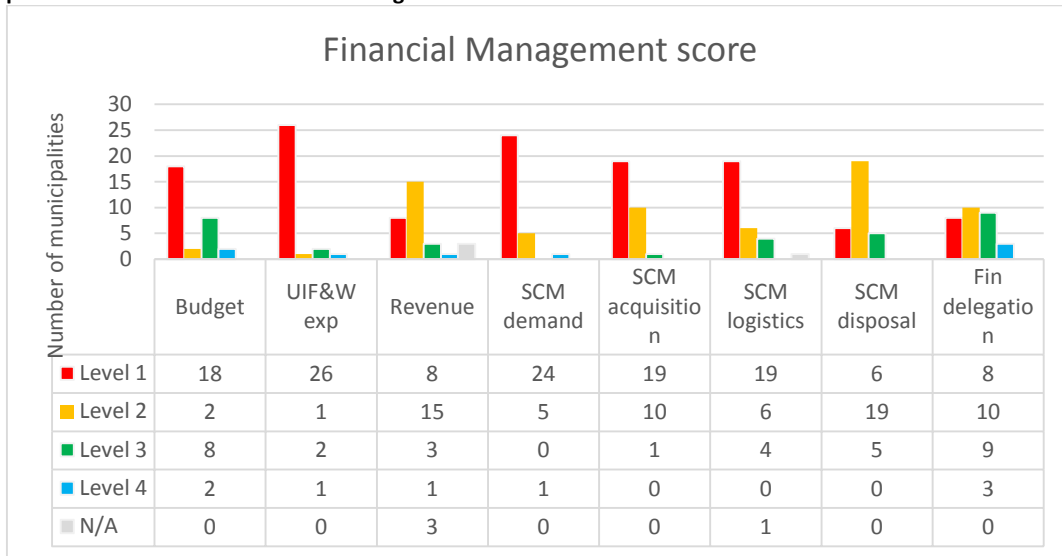
Figure 5: Overall performance on KPA 3: Human Resource Management



KPA 4: Financial Management

The overall picture in respect of the 8 performance standards that make up the KPA on financial management is mixed across the standards.

Figure 6: Overall performance on KPA 4: Financial Management

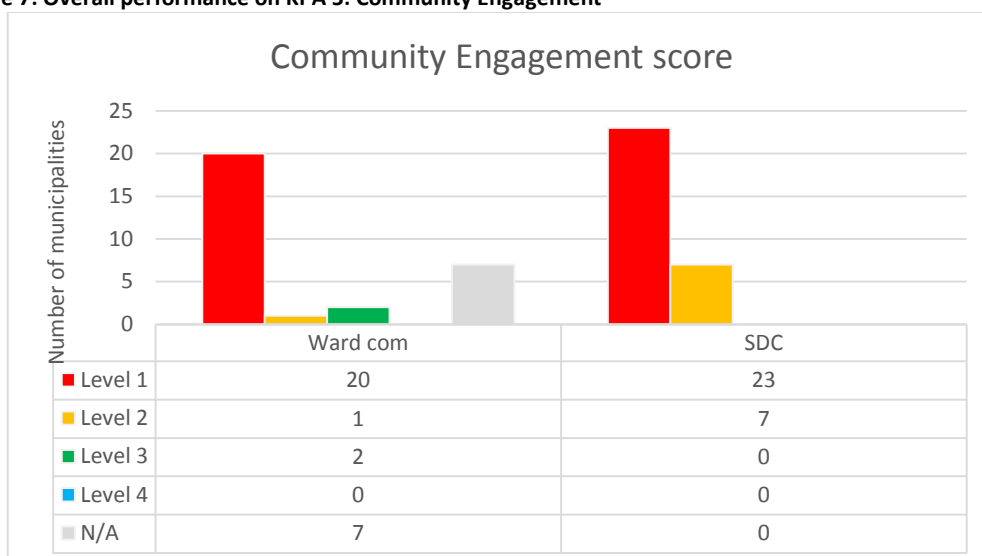


This can be directly attributed to the weak performance in respect of budget planning, management of unauthorised, irregular, fruitless and wasteful expenditure in combination with the standards on various components of supply chain management.

KPA 5: Community Engagement

Only 2 of the participating municipalities have ward-level service plans as envisaged by the B2B campaign. Additionally the majority do not have approved service delivery charters (SDC) or a responsive complaints management system to respond to complaints, queries and concerns of citizens. This is reflective of general dissatisfaction amongst the public of lack of meaningful community engagement by municipalities.

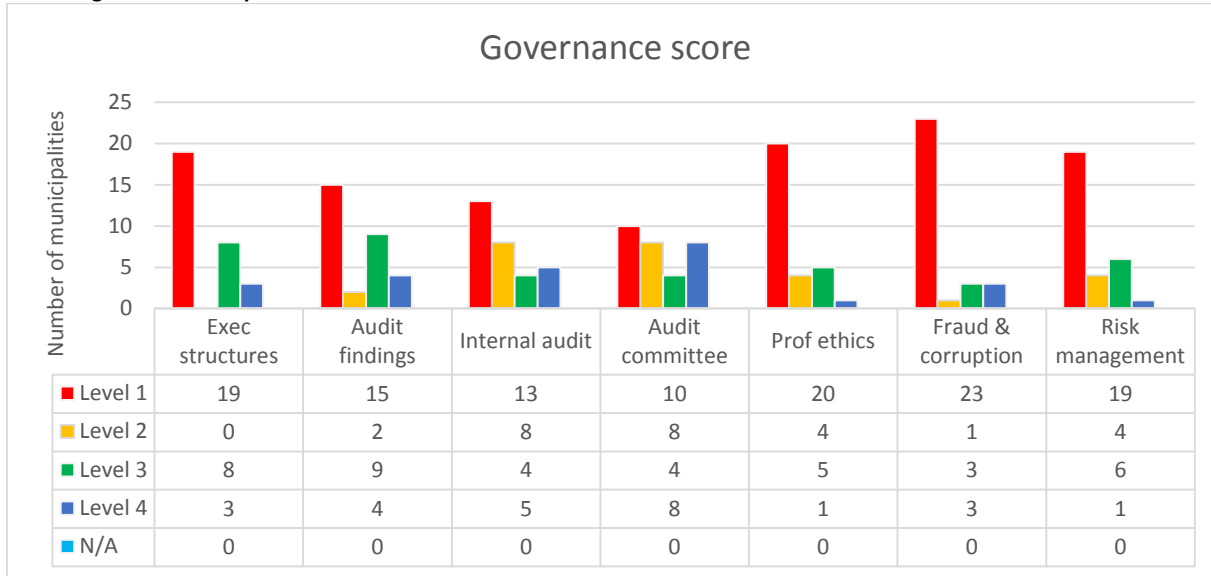
Figure 7: Overall performance on KPA 5: Community Engagement



KPA 6: Governance

With the notable exception of some municipalities in the Eastern Cape, participating municipalities require serious attention in order to become fully effective in the 7 standards making up this KPA.

Figure 8: Overall performance on KPA 6: Governance



The assessment underscores that executive structures are ineffective and internal controls are weak. The encouraging fact is that the results were much better for the standards on response to audit findings and internal audit capacity. There is a positive correlation between municipalities with functioning audit committees and the audit findings. The 2013-14 audit outcomes for the 30 municipalities' shows that 17 had either a qualified or disclaimer and adverse audit opinion. This reinforces the scores in the audit findings standard which shows that 17 of the 30 municipalities have not prepared audit action plans as a management practice to respond to the matters in the Auditor Generals management letter.

Limitations, challenges and improvements

It should be noted that assessment of performance against some standards were in several cases affected by the non-submission of evidence due to a range of reasons, some of which were technical, whilst others could have related to level of commitment, competing priorities and/or willingness to share certain information which could have been considered confidential. Care should therefore be taken not to use the scores as an absolute measure of the performance of municipalities. In any event, moderated scores were never intended to be a report card nor an end in itself. On the contrary the moderated assessment is meant to serve as a basis for a focused conversation with the municipal leadership about the state of management practices, to correct discrepancies in the assessment with a view to getting an accurate picture of what the situation is in respect of each KPA and to get on with planning improvements.

In future assessments, DPME will play a more hands on role together with provincial counterparts to ensure that the self-assessments by municipalities is more rigorous and reasonably accurate.

Conclusion

The 2014/15 roll out of the LGMIM is considered the first proper implementation of the steps (self-assessment through to improvement) of the LGMIM following the testing during the 2013/14 pilot phase. All indications are that the LGMIM can serve as a powerful management information tool for the municipal leadership to reflect on how the municipality approaches its tasks in key management areas with a view to shaping management and administrative practices to deliver quality services.

Good managers and leaders value organisational assessments and diagnostics as a source of valuable insights into the health of their organisations. For the benefit and potential of LGMIM to be realised, municipalities must be willing to utilise the results of the LGMIM as critical management information and develop improvement action plans and strategies in the areas where performance gaps were observed. Provincial DCoGs for their part will have to step up their involvement and support municipalities in this regard.

SECTION 1: ABOUT THE LGMIM

Introduction

LGMIM fills an important gap in the domain of municipal support. Underpinning LGMIM is the logic that management matters and thus improved management practices are the key to improving productivity and service delivery. It is an organised, evidence-based approach to the assessment of management practices. To this end the LGMIM is a model or framework that is used to measure or benchmark the institutional performance of municipalities across a number of key performance areas.

Background

The NDP chapter on a Capable and Developmental State envisioned that by 2030, South Africa will have a developmental local state that is accountable, focussed on citizen's priorities and capable of delivering high-quality services consistently and sustainably through co-operative governance and participatory democracy. As depicted in the White Paper on Local Government (1998), developmental local government is at the forefront of participatory democracy, involving citizens in meaningful deliberations regarding governance and development; is responsive to citizens' priorities, and enjoys high levels of trust and credibility amongst the public; whose employees are skilled, competent and committed to delivering quality services; is able to cost-effectively increase the quantity and quality of services and operates within a supportive and empowering intergovernmental system.

Local government, however, faces several related challenges including, poor capacity and weak administrative systems illustrated by poor financial and administrative management, weak technical and planning capacity, governance challenges and uneven fiscal capacity. In the past 10 years there have been various initiatives and interventions planned and co-ordinated by the national and provincial departments aimed at supporting municipalities to overcome these challenges. These interventions for the most part have produced minimal impact and less than optimal results over time. This is due to a lack of a cohesive plan, uniform approach and co-ordination and alignment failures amongst the sector departments in implementing these interventions. Addressing these challenges require longer term strategies developed by municipalities working collaboratively with provincial and national government, including addressing capacity constraints, a commitment to continuous and incremental improvement, as well as a commitment to high performance and a willingness to learn from experience.

LGMIM Methodology

As indicated previously, the LGMIM is a model or framework that is used to measure or benchmark the institutional performance of municipalities across a number of key performance areas. In each key performance area, performance is assessed against standards established with the assistance of relevant transversal departments (e.g. National Treasury for financial management and Department of Water & Sanitation for water and sanitation services). It looks at the municipality from various angles concurrently, thus adopting a holistic approach to institutional performance analysis. LGMIM does not duplicate existing monitoring by sector departments or duplicate the auditing conducted by the Auditor-General. Instead, LGMIM draws on evidence from municipalities and secondary data from oversight bodies to moderate the self-assessments of the municipalities.

The LGMIM framework is built around six (6) Key Performance Areas (KPA), namely, Integrated Development Planning, Service Delivery, Human Resource Management, Financial Management, Community Engagement and Governance. LGMIM is designed to assess compliance and the quality of management practices in these 6 KPAs. The 6 KPAs are further broken down into twenty-nine (29) Management Performance Standards against which performance is measured.

What differentiates LGMIM from other monitoring processes is that it provides a consolidated view of a municipality's performance across several critical KPAs, thus making it easier to prioritise areas that are in need of significant improvement. At the same time LGMIM can assist sector departments and other stakeholders in identifying areas where frameworks and guidelines could be improved.

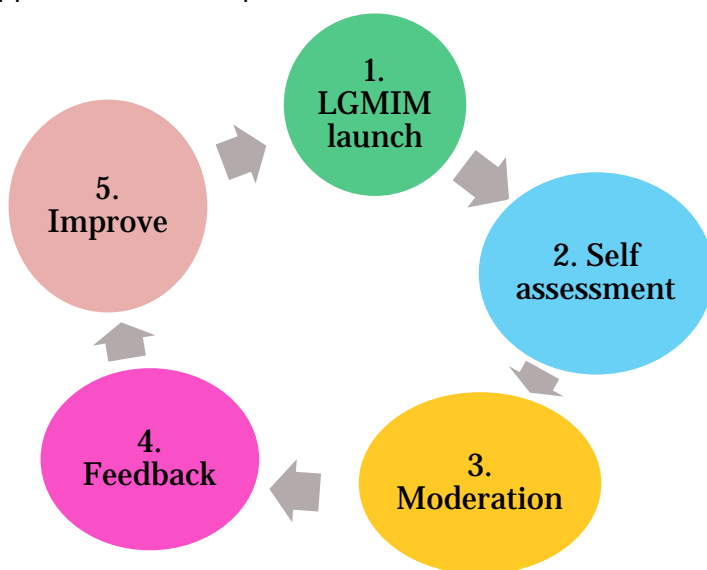
LGMIM Objectives

Given the above orientation of the LGMIM, particularly the importance of effective management practices and work place capabilities to improve service delivery, the LGMIM has the following objectives:

- Provide municipal leadership with a management information tool to reflect on how the municipality approaches its tasks in key management areas with a view to shaping management and administrative practices to deliver quality services;
- Provide a framework to measure, monitor and support improved management practices in municipalities for quality service delivery and increased productivity;
- Facilitate well-co-ordinated, targeted and differentiated support by national and provincial departments.

LGMIM Phases

LGMIM has five (5) phases. The various phases of LGMIM are there to ensure the quality of the municipalities' self-assessment. Robust engagement during self-assessment gives municipalities an opportunity to become aware of areas where performance gaps may exist and action is required as well as the existence of opportunities for improvement and interventions to address associated challenges.



The submitted self-assessments get subjected to a moderation process where the supporting evidence is scrutinised, resulting in the confirmation or adjustment of self-assessment scores. Based on the findings of the moderation process, the DPME and the Provincial Department of Co-operative Governance and Traditional Affairs (DCoG) facilitate feedback sessions with municipalities to provide clarity and to obtain further substantiation for self-assessment scores. Municipalities are then afforded an opportunity to contest the results motivating why the score may be inaccurate and provide supporting evidence to justify a higher score than what the preliminary moderated results suggested. The agreed scores emanating from this engagement process are considered as the final scores.

In order to convert results into an improved practice, Municipalities are encouraged to use the LGMIM results and the matters raised in the LGMIM results report, to undertake a detailed analysis and action planning exercise (WHAT action to reach a higher level? by WHO? by WHEN? at WHAT Cost) with support from the Province. The improvement plan arising from this exercise should be a standing item on the agenda of the SMS meeting of the municipality. It is recommended that the Office of the MM monitors implementation of improvements and reports to the relevant Provincial Departments of Co-operative Governance. Provincial B2B teams are to support and monitor implementation where this is needed, and resolve problems where they arise. Provincial Departments of Co-operative Governance will report progress with the implementation of the planned improvements to the Outcome 9 Technical Implementation Forum.

LGMIM Ratings

LGMIM has four (4) progressive levels of management performance and each management practice is assessed against these levels (see table below). A level 1 score shows absence of basic practices in line with legal, regulatory and prescribed best practices. A level 2 score indicates that a municipality has some management practices in place and a reasonable platform exists to improve. A level 3 score indicates that a municipality is fully effective while a level 4 score shows that the municipality is excelling in the relevant standard and is an innovator in these areas.

Figure 9: Levels of Management Performance

Level	Description
Level 1	The municipality lacks basic adherence to management practices in line with legal, regulatory and prescribed best practice requirements. Affected management standard require serious attention from the management team.
Level 2	The municipality has some management practices in place that partially adhere to legal, regulatory and prescribed best practice requirements. A platform exists to become fully effective, but will require some attention from the management team.
Level 3	The municipality employs management practices in line with legal, regulatory and prescribed best practice requirements. The municipality is fully effective and the management team should endeavour to sustain the good performance.
Level 4	The municipality employs management practices in line with legal, regulatory and prescribed best practice requirements and shows innovation. The municipality is commended for this achievement and encouraged to sustain the outstanding performance.

Each management practice is assessed and scored against these four levels of management performance giving the municipality an indication of how it performed in each of the 29 management performance standards. The municipality thus has an aggregate picture of its management performance in respect of each KPA, and can disaggregate the picture to pinpoint the management performance standards within each KPA that require improvement. The municipality is then expected to utilise the LGMIM results (through an action planning exercise) to determine how the performance gaps can be fixed internally and what support, if any, may be required from other departments and entities. The action plan identifies the root causes for the underperformance and actions to address the root causes by whom and in what time frame.

SECTION 2: STATE OF MANAGEMENT PRACTICES IN MUNICIPALITIES

OVERALL LGMIM ASSESSMENT RESULTS

The purpose of this section is to provide the results and an overview on the state of management practices across the six (6) key performance areas in the thirty (30) municipalities, comprising of district and local municipalities across six (6) Provinces for the 2014/15 financial year. During 2014/15, a total of thirty-seven (37) municipalities were enrolled to participate in the LGMIM programme. However, seven (7) of the total did not complete the LGMIM assessment cycle for various reasons.

The following thirty (30) municipalities (6 District Municipalities and 24 Local Municipalities) across the said provinces completed the assessment cycle, the results of which are further discussed below:

EC	FS	GP	LP	MP	NW
Matatiele	Kopanong	West Rand DM	Ba- Phalaborwa DM	eMalahleni	Bojanala DM
Mbizana	Moqhaka	Westonaria	Lephalale	Lekwa	Dr Kenneth Kaunda DM
Mhlonto	Setsoto		Polokwane	Mkondo	Dr Rurth S Mompoti DM
Senqu	Tswelopele		Sekhukhune DM		Greater Taung
			Thabazimbi		Lekwa Teemane
					Mahikeng
					Matlosana
					Moretele
					Moses Kotane
					Naledi
					Ngaka Modiri Molema
					Rustenburg

Graphically the provincial representation is as follows:



Figure 10 below provides a consolidated overview of the 2014/15 LGMIM results in respect of the 30 municipalities that completed the LGMIM cycle. Generally, low performance is observed across all KPA's. For KPA 2 a platform exists for municipalities to become fully effective as a majority of municipalities scored at Level 2 for most of the performance standards. Attention would have to be paid to management practices in KPA's 4 and 5, as a majority of municipalities scored at Level 1 or 2 for the performance standards. Standards pertaining to response to audit findings, audit committees and administrative and financial delegations showed the best results.

Figure 10: Heat Map of the 2014/15 LGMIM Scores

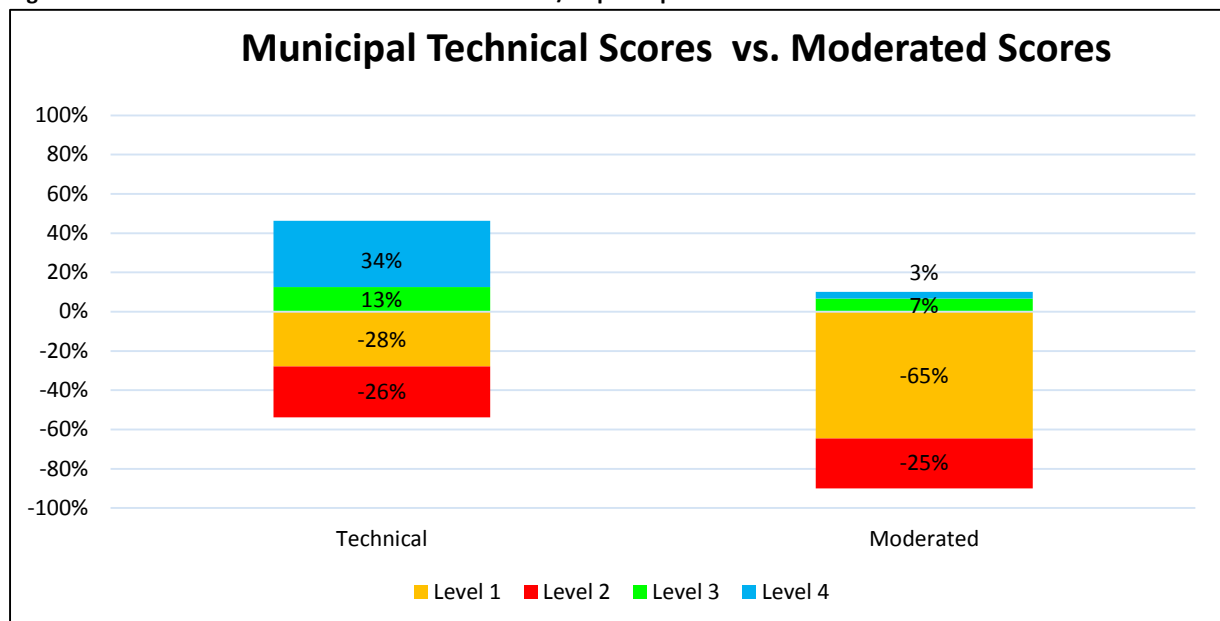
STANDARDS	MODERATED SCORECARDS RESULTS																													
	1.1	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	3.1	3.2	3.3	4.1	4.2	4.3	4.4.1	4.4.2	4.4.3	4.4.4	4.5	5.1	5.2	6.1	6.2	6.3	6.4	6.5	6.6	6.7	
Eastern Cape																														
Matatiele	1	3	N/A	N/A	2	4	1	N/A	1	1	1	3	3	1	3	2	2	2	2	4	1	2	3	4	1	4	1	1	2	
Mbizana	1	1	N/A	N/A	1	2	1	2	1	1	1	1	1	1	2	1	1	1	1	1	1	1	1	2	2	1	1	1	1	
Mhlonlo	2	1	N/A	N/A	2	2	1	N/A	2	1	1	1	4	1	1	1	1	1	1	1	1	1	1	1	2	1	1	1	1	
Senqu	2	3	N/A	N/A	1	2	1	2	1	4	1	1	1	1	2	1	1	1	3	4	1	2	4	4	4	4	4	4	1	1
Free State																														
Kopanong	3	3	2	2	2	2	1	N/A	2	4	2	3	1	3	3	2	3	2	2	3	1	1	1	1	3	3	3	2	3	
Moqhaka	2	3	2	2	2	2	1	2	1	1	2	2	2	1	2	1	1	1	2	2	1	1	1	1	1	1	1	1	1	
Setsoto	4	4	2	2	1	1	1	2	1	2	1	4	3	1	1	2	2	2	2	4	1	2	4	4	4	4	3	1	3	
Tswelopele	3	3	2	2	2	2	3	3	1	4	3	2	3	2	3	2	2	2	2	2	3	2	4	3	3	3	3	3	3	
Gauteng																														
West Rand District	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	4	2	2	1	1	2	1	1	1	2	2	N/A	2	1	4	1	4	1	1	1	
Westonaria	1	2	1	4	2	2	2	2	2	1	1	1	1	1	2	1	1	1	2	1	1	1	1	1	1	1	1	1	1	
Limpopo																														
Ba-Phalaborwa	1	1	N/A	N/A	1	1	1	1	1	3	2	1	3	1	1	1	1	1	1	1	1	1	1	1	1	1	2	1	1	
Sekhukhune	1	1	1	2	N/A	N/A	N/A	N/A	1	1	1	1	1	1	1	1	2	1	2	1	N/A	1	1	1	1	1	1	1	1	
Lephalale	3	4	1	2	4	4	N/A	N/A	4	4	4	4	3	1	4	2	2	1	2	1	3	1	3	3	3	4	2	4	3	
Polokwane	1	3	2	2	1	2	1	1	2	1	1	2	1	1	1	1	1	1	2	2	1	1	1	3	2	2	1	4	4	
Thabazimbi	1	1	1	2	2	2	1	1	1	1	1	1	1	1	2	1	1	1	3	1	1	1	1	1	1	1	1	1	1	
Mpumalanga																														
eMalahleni	1	1	2	2	2	2	2	2	2	1	3	3	1	1	2	1	1	2	2	3	2	1	3	3	1	2	3	1	3	
Lekwa	3	3	2	2	2	2	1	2	1	3	3	3	1	1	1	1	2	3	2	3	1	2	3	1	2	3	1	3	3	
Mkhondo	1	2	1	2	2	2	1	1	1	1	1	1	1	1	1	1	1	3	2	1	1	2	1	1	2	2	2	1	1	
North West																														
Bojanala	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	2	3	1	1	N/A	1	1	1	2	3	N/A	1	3	1	4	1	1	1	2	
Dr Kenneth Kaunda	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	3	1	1	N/A	1	1	1	2	3	N/A	1	1	3	1	4	1	1	1	
Dr Ruth S Mompoti	2	N/A	2	2	2	N/A	N/A	N/A	2	4	3	3	2	1	N/A	1	2	N/A	3	3	N/A	1	1	3	2	4	1	3	1	
Greater Taung	2	2	N/A	N/A	1	1	1	N/A	1	1	1	2	1	1	2	1	1	3	1	2	N/A	1	1	1	2	2	1	1	1	
Lekwa-Teemane	1	1	N/A	N/A	N/A	1	1	1	1	1	1	1	1	1	2	1	1	1	1	2	1	1	1	3	4	1	1	1	1	
Mahikeng	1	1	N/A	N/A	2	2	N/A	N/A	1	1	1	3	3	1	2	1	2	2	3	3	1	1	1	1	1	1	1	1	1	
Matlosana	1	1	1	2	2	3	2	2	2	1	1	2	1	1	2	1	1	1	2	2	1	1	3	2	2	1	1	1	1	
Moretele	1	1	1	2	N/A	2	N/A	N/A	1	1	1	2	3	1	2	1	2	1	2	2	1	1	1	1	1	2	1	1	2	
Moses Kotane	1	2	1	2	2	2	N/A	N/A	1	1	1	2	4	1	2	1	1	1	1	2	1	1	1	1	1	1	1	1	1	
Naledi	1	2	N/A	N/A	2	1	1	1	1	1	1	3	3	4	2	1	1	1	2	3	1	1	3	2	4	4	3	1	1	
Ngaka Modiri Molema	1	1	1	2	N/A	N/A	N/A	N/A	1	1	1	2	1	1	1	1	1	1	2	2	N/A	1	1	3	2	2	1	1	1	
Rustenburg	2	3	2	2	2	2	3	2	1	3	3	3	1	3	2	4	2	3	3	3	1	1	3	3	3	3	2	4	2	

There are a number of important factors to note in respect of the scores in figure 10:

- The LGMIM is a voluntary assessment and therefore levels of engagement varied across participants
- Where standards show as N/A – the municipality does not execute that specific function.
- Sample of 30 municipalities is insufficient to make generalisations on a provincial and national scale.
- As most municipalities participated for the first time and the approach was unfamiliar, the municipal self-assessments tended to be overly optimistic and/or insufficiently substantiated by the evidence provided.
- Availability of evidence was a major area of concern and may be linked to challenges in respect of record management within municipalities.
- As moderation happened for the first time confidence in moderated scores is not optimal as yet, as the process and approach still needs to be institutionalised and as a result moderated scores do not necessarily reflect the true performance of the municipality.
- LGMIM is still a new initiative - municipal buy-in and commitment to ensure robust and accurate self-assessments are not yet optimal.

The latter 4 factors affected the accuracy of assessments in some municipalities. This can be seen in respect of the difference in scoring observed in relation to the municipal technical self-assessment scores and the moderated scores (Figure 11 below.) Municipal scores are generally higher than moderated scores.

Figure 11: Technical versus Moderated scores for 2014/15 participants



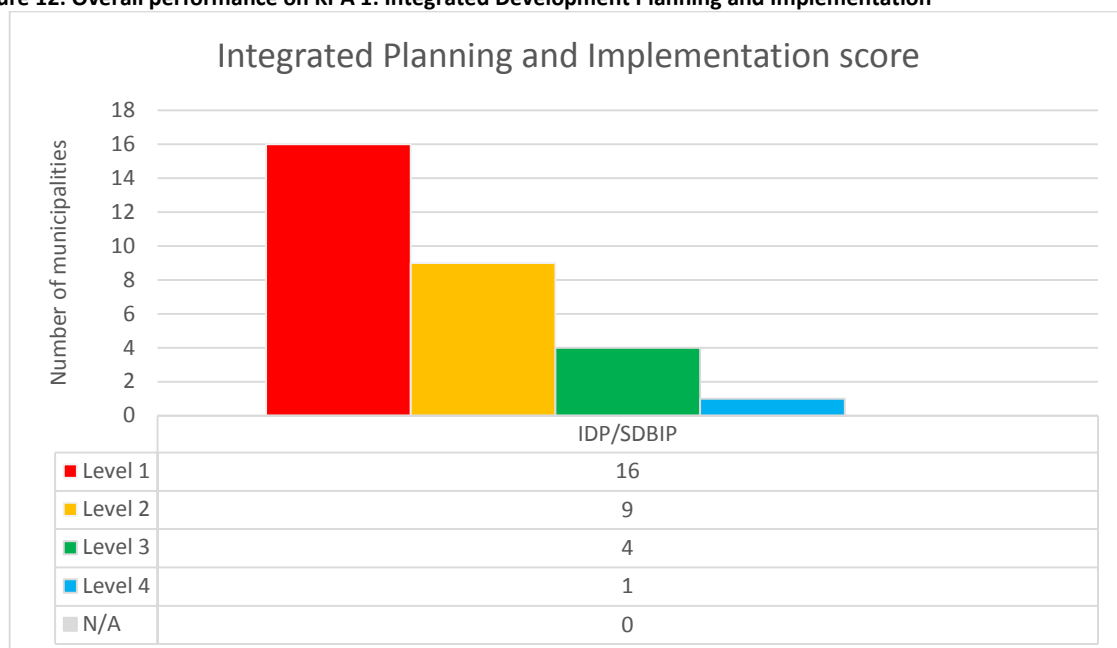
It should be noted that performance against standards were in several cases affected by the non-submission of evidence due to a range of reasons, some of which were technical, whilst others could have been related to level of commitment, competing priorities and/or willingness to share certain information which could have been considered confidential. The LGMIM, however, allows municipalities to have the moderated results reviewed by affording them the opportunity to motivate why the score may be inaccurate and provide supporting evidence to justify a higher score. Only 8 of the 30 municipalities took up the opportunity to correct any discrepancies and submit changes within the stipulated time frame. The 8 municipalities whose moderated scores were adjusted are: Rustenburg LM, Dr Ruth S Mopati DM, Lephalale LM, Lekwa LM, Kopanong LM, Setsoto LM, Tswelopele LM and Matatiele LM. Others such as Moqhaka LM indicated that they would like their scores reviewed and provide evidence to that effect, but were unable to do so before the deadline. The results of the 8 municipalities have been adjusted accordingly.

Municipal results per management performance standard

KPA 1: Integrated Development Planning and Implementation

This KPA has 1 standard, viz. “Integrated Development Planning and Implementation Mechanisms”. Almost two thirds (16 out of 30) scored at Level 1 and a further 9 at Level 2. While a Level 2 score suggests that a sound platform exists for the municipality to become fully effective the results do suggest that although the practice of integrated planning and implementation through the IDP and the SDBIP may appear institutionalised, gaps still exist in how practical implementation may be achieved. This is particularly evident in respect of SDBIPS not containing detailed capital works plans and expenditure by ward.

Figure 12: Overall performance on KPA 1: Integrated Development Planning and Implementation



Integrated development planning is a participatory process to give effect to the municipality's developmental duties in accordance with the Constitution and legislative and regulatory requirements. The SDBIP is the annual plan that links the IDP and budget to give effect to the municipality's plans. Weak performance in this standard suggests the absence of critical management practices to do quality planning.

Figure 13: Results achieved per municipality in respect of standard 1.1

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlonlo	2
Senqu	2
Free State	
Kopanong	3
Moqhaka	2
Setsoto	4
Tswelopele	3
Gauteng	
West Rand District	2
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	3
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	3
Mkhondo	1
North West	
Bojanala	2
Dr Kenneth Kaunda	2
Dr Ruth S Mompoti	2
Greater Taung	2
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	2

Criteria within standard 1.1 best performed against:

- That the IDP is adopted prior to the start of the financial year and contains references to the status of sector plans.
- That the SDBIP is approved by the mayor within 28 days after the approval of the budget and contain quarterly non-financial, measurable performance objectives in the form of service delivery targets and performance indicators (outputs) for each vote
- That stakeholder consultation is taking place to varying degrees - effectiveness of such consultation can however not be determined.

Criteria within standard 1.1 showing poor levels of compliance:

- That the SDBIP contain Ward information for expenditure and service delivery and detailed capital works plans broken down by ward over three years.

Overall recommendations in respect of standard 1.1:

- Limited compliance with MFMA Circular 13 in respect of the contents of the SDBIP need to be addressed.

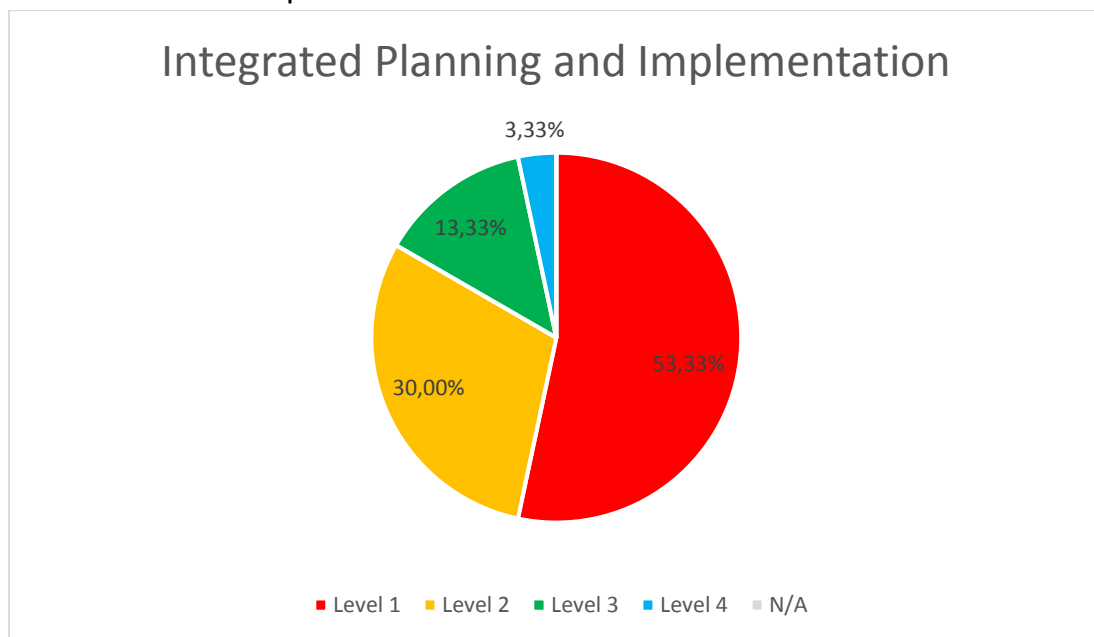
MFMA Circular 13 provides guidance and assistance to municipalities in the preparation of the Service Delivery and Budget Implementation Plan (SDBIP).

MFMA Circular 13 requires that the SDBIP *inter alia* contains the following information:

- Quarterly projections of service delivery targets and performance indicators for each vote
- Ward information for expenditure and service delivery
- Detailed capital works plan broken down by ward over 3 years

This information, if contained, within the municipal SDBIPs can play an important role in enhancing community engagement/participation in monitoring service delivery and has the potential to facilitate effective medium and long term planning as it serves to link current and future projects in a sequential manner.

Figure 14: Results achieved in respect of Standard 1.1



The above pie chart indicates that overall 53.34% of participating municipalities scored on Level 1, 30% on Level 2, 13.33% on Level 3 and 3.33% on Level 4 in respect of this standard. Due to rounding off, percentages do not add up to 100%.

KPA 2: SERVICE DELIVERY

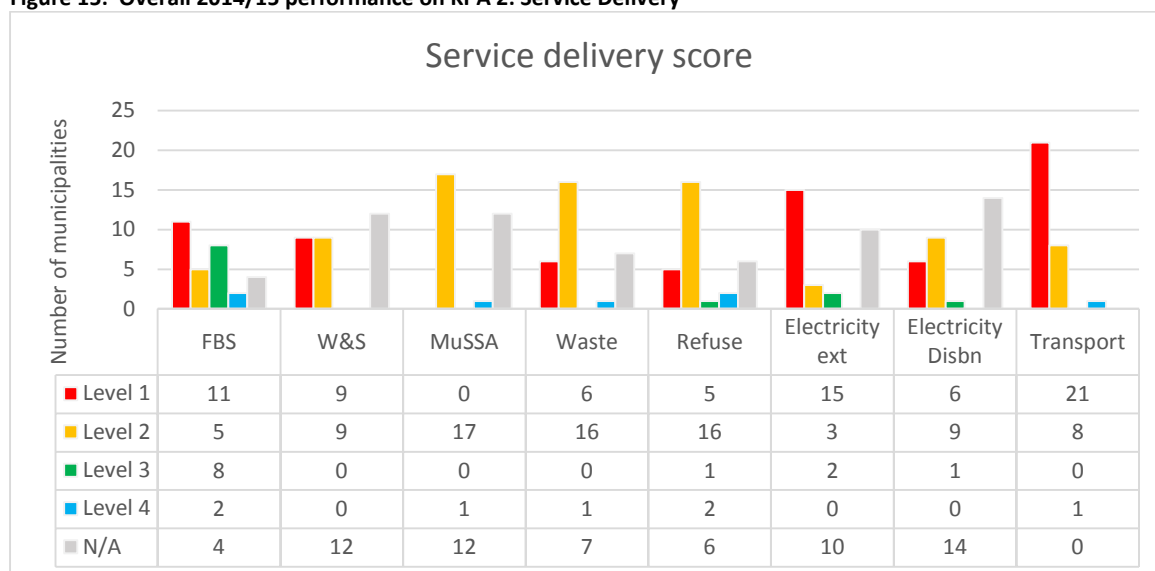
In the past two and a half decades, municipalities have delivered basic services to millions of households that did not receive them before. Remaining backlogs and unevenness in quality of service delivery however continue to contribute to deep seated dissatisfaction in some communities. Some municipalities are furthermore still struggling to build, refurbish, operate and maintain the infrastructure needed for reliable and sustainable service delivery. Access to functional infrastructure has been elusive primarily due to infrastructure backlogs, neglect of routine operation and maintenance of infrastructure, weak asset management, uneven or lack of technical capacity to develop and implement credible sector plans and the application of inappropriate delivery technologies in remote rural areas.

The Service Delivery KPA is monitored through eight standards dealing with the planning, project packaging, budgeting and monitoring of:

- Access to free basic services
- Extension of water and sanitation services
- Performance against Municipal strategic self-assessment
- Waste disposal
- Refuse collection
- Extension of electricity
- Generation, transmission or distribution, operation, maintenance and refurbishment of electricity infrastructure
- Mapped and maintained transport networks

Participating municipalities performed largely at either level 1 or 2 in most of the 8 standards with very few exceptions in one or two isolated standards.

Figure 15: Overall 2014/15 performance on KPA 2: Service Delivery



Access to free basic services, extension and operation and maintenance of electricity and road networks in particular require serious attention. In the areas of water, sanitation and refuse removal services most municipalities scored at Level 2. Additional effort will therefore be needed for municipalities to improve performance to Level 3 in these services.

Standard 2.1: Access to Free Basic Services (FBS)

The provision of free basic services is important in respect of providing at least a minimum quantum of electricity, water, and sanitation and refuse removal as part of the social wage basket to poor households.

Given the above, the standard criteria focused on whether or not municipalities have appropriate FBS policies in place, have budgeted for the provision of FBS and are monitoring the provision of FBS on an ongoing basis. Please note that District Municipalities often are not responsible for providing FBS. Where municipalities do not provide FBS the standard as a whole was marked as “N/A” and the affected municipalities were not assessed against the standard criteria.

Figure 16: Results achieved per municipality in respect of standard 2.1

Eastern Cape	
Matatiele	3
Mbizana	1
Mhlonlto	1
Senqu	3
Free State	
Kopanong	3
Moqhaka	3
Setsoto	4
Tswelopele	3
Gauteng	
West Rand District	N/A
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	4
Polokwane	3
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	3
Mkhondo	2
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	N/A
Greater Taung	2
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	2
Naledi	2
Ngaka Modiri Molema	1
Rustenburg	3

Criteria within standard 2.1 best performed against:

- The Indigent register OR tariff policy that subsidises the provision of FBS on an area basis is up-to-date / reviewed at least annually.
- The Free Basic Services and/or Indigent Policy budgeted for in terms of all four FBSs which include any need for the provision of alternative services
- There is some concern in respect of the level of accuracy in costing FBS informing budget allocations - especially in respect of weak performance against monitoring requirement criteria.

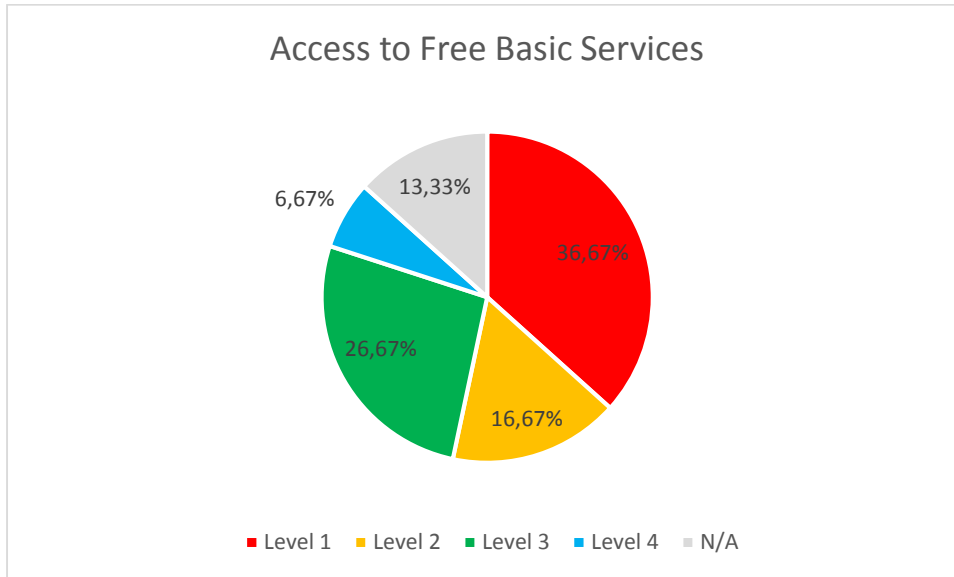
Criteria within standard 2.1 showing poor levels of compliance:

- Implementation of the Free Basic Services and/or Indigent Policy is monitored through the municipality’s Performance Management System.

Overall recommendations in respect of standard 2.1:

- As FBS requires subsidisation it is important to monitor not only number of HHs served but also expenditure on FBS.
- Municipalities should ensure that they address the provision of FBS in line with their powers and functions in relevant policy documents. This requires details on the level of service to be provided as well as the qualification criteria used to determine eligibility for receiving these services.

Figure 17: Results achieved in respect of Standard 2.1



The above pie chart indicates that of the total number of 30 participating municipalities:

- 36.67% scored on level 1
- 16.67% scored on level 2
- 26.67% scored on level 3
- 6.67% scored on level 4
- Standard 2.1 was N/A to 13.33% of participating municipalities

Standard 2.2: Extension of Water and Sanitation

Municipalities that are Water Services Authorities (WSAs) have an obligation to extend access to water and sanitation services/ facilities to all users in the municipality's area of jurisdiction.

Given the above, the standard criteria focussed on:

- The score the municipality obtained in relation to the Department of Water and Sanitation's Planning Maturity Assessment;
- Whether or not municipalities have approved Water Services Development Plans in place;
- If municipalities have budgeted for the implementation of water and sanitation related projects; and
- Are municipalities monitoring the implementation of Water and Sanitation related projects on an ongoing basis

Please note that not all municipalities are Water Services Authorities. Where municipalities are not WSAs the standard as a whole was marked as “N/A” and the affected municipalities were not assessed against the standard criteria.

Figure 18: Results achieved per municipality in respect of standard 2.2

Eastern Cape	
Matatiele	N/A
Mbizana	N/A
Mhlonlo	N/A
Senqu	N/A
Free State	
Kopanong	2
Moqhaka	2
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	N/A
Westonaria	1
Limpopo	
Ba-Phalaborwa	N/A
Sekhukhune	1
Lephalale	1
Polokwane	2
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	2
Mkhondo	1
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	1
Greater Taung	N/A
Lekwa-Teemane	N/A
Mahikeng	N/A
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	N/A
Ngaka Modiri Molema	1
Rustenburg	1

Criteria within standard 2.2 best performed against:

- There is at least a draft Water Services Development plan (WSDP) in the prescribed format in place.
- The status of the WSDP is referenced in the IDP.
- The draft WSDP provides an overview of the WSA’s water and sanitation demand.
- The water and sanitation projects are reflected in the SDBIP and monitoring reports provide a reflection of progress against targets as set in the SDBIP.

Criteria within standard 2.2 showing poor levels of compliance:

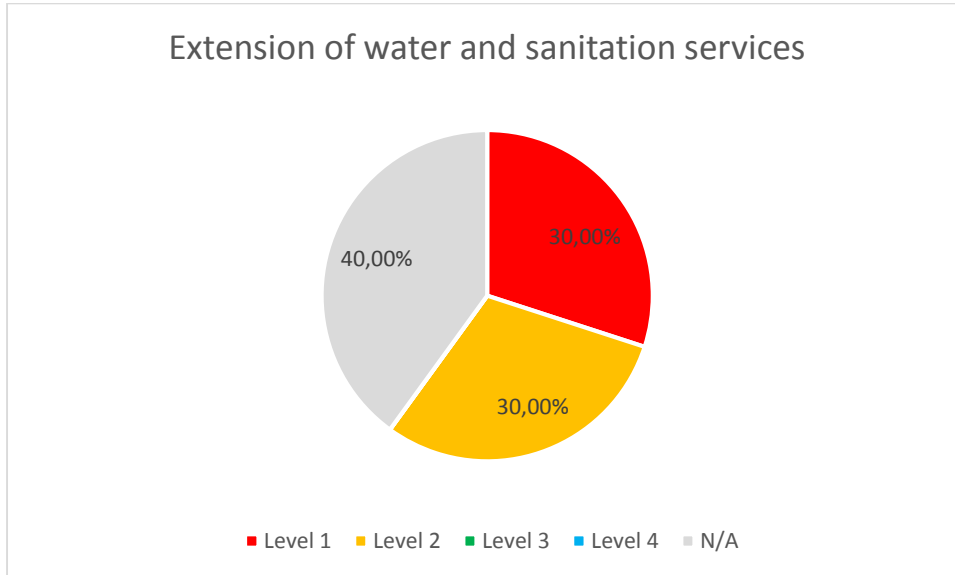
- Municipalities do not score more than level 2 on the DWS Planning Maturity Assessment.
- Scoring below level 3 means that proactive compliance and a planning culture for water services have not as yet been institutionalised.

Overall recommendations in respect of standard 2.2:

- Municipalities should act on the findings of the DWS Planning Maturity Assessment and contact their DWS Regional Offices for assistance.

There is suggestion that municipalities are often are not completing their WSDPs in full in terms of the modules prescribed by the DWS. It also seems that draft WSDPs are often not being formalised by means of Council approvals as required.

Figure 19: Results achieved in respect of Standard 2.2



The above pie chart indicates that:

- 30.00% of participating municipalities scored on level 1
- 30.00% of participating municipalities scored on level 2
- This standard was N/A to 40% of participating municipalities

Standard 2.3: Performance against the Department of Water and Sanitation Municipal Strategic Self-Assessment (MuSSA)

The MuSSA assesses the business health/vulnerability of the WSA to fulfil its functions. It determines vulnerability against 16 business attributes of the water function. It is a benchmarking process through which trends can be monitored and areas requiring corrective action can be identified and addressed.

Given the above, the standard criteria focussed on whether or not the Water Services Authority conducted the MuSSA on an annual basis, developed an action plan to address the vulnerabilities identified and incorporated such into its municipal planning instruments.

Where municipalities are not WSAs, the standard as a whole was marked as “N/A” and the affected municipalities were not assessed against the standard criteria.

Figure 20: Results achieved per municipality in respect of standard 2.3

Eastern Cape	
Matatiele	N/A
Mbizana	N/A
Mhlontlo	N/A
Senqu	N/A
Free State	
Kopanong	2
Moqhaka	2
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	N/A
Westonaria	4
Limpopo	
Ba-Phalaborwa	N/A
Sekhukhune	2
Lephalale	2
Polokwane	2
Thabazimbi	2
Mpumalanga	
eMalahleni	2
Lekwa	2
Mkhondo	2
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	2
Greater Taung	N/A
Lekwa-Teemane	N/A
Mahikeng	N/A
Matlosana	2
Moretele	2
Moses Kotane	2
Naledi	N/A
Ngaka Modiri Molema	2
Rustenburg	2

Criteria within standard 2.3 best performed against:

- WSAs conduct the MuSSA on an annual basis.

Criteria within standard 2.3 showing poor levels of compliance:

- WSAs developed an action plan to address vulnerabilities identified through the MuSSA.
- WSAs are implementing the action plan by incorporating it into its planning instruments - i.e. WSDP / Municipal Priority Action Planning (MPAP) processes / corporate management plans, etc.

Overall recommendations in respect of standard 2.3 :

- It seems that the practice to develop an action plan to address vulnerabilities identified through the MuSSA requires further support from the DWS.
- These action plans then need to be incorporated into the WSDP of the municipality.

It is worth noting that while a majority of the municipalities scored at a level 2, Westonaria LM scored at a level 4. This is because the municipality has developed an action plan to

address vulnerabilities identified during MuSSA and that it has shown continuous improvement in the municipal MuSSA results.

Figure 21: Results achieved in respect of Standard 2.3

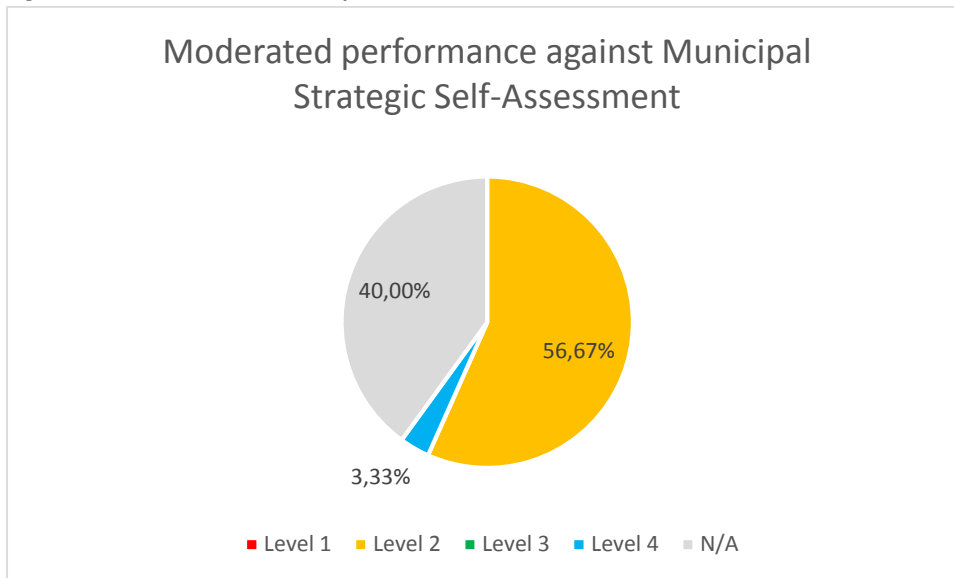


Figure 21 indicates that:

- None of participating municipalities scored on level 1
- 56,67% of participating municipalities scored on level 2
- 3,3% of participating municipalities scored on level 4
- This standard was N/A to 40% of participating municipalities

Standard 2.3 is one of the standards against which none of the municipalities scored on level 1. The reason being that the MuSSA standard measures partial compliance (level 2) as participation in the MuSSA assessment on an annual basis. It should however be noted that participation is driven by the DWS and not municipalities. To reach compliance level (level 3 score) Water Services Authorities need to prove that they have taken action to address the vulnerabilities identified through the assessment. Only 1 participating municipality achieved compliance to all the criteria of the standard.

Standard 2.4: Waste Disposal

Constitutionally government is obliged to protect the right to an environment that is not harmful to a person's health and to have the environment protected for the benefit of present and future generations. Waste disposal practices in many areas of South Africa are not yet conducive to a healthy environment and the impact of improper waste disposal practices are often borne disproportionately by the poor.

Given the above, the standard criteria focussed on establishing if:

- waste handling facilities are licenced

- an approved Integrated Waste Management Plan is in place;
- a Waste Management Officer has been designated;
- the management and operation of waste handling facilities have been budgeted for;
- municipalities are monitoring the operation of waste handling facilities and reporting into the South African Waste Information System;

Figure 22: Results achieved per municipality in respect of standard 2.4

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlontlo	2
Senqu	1
Free State	
Kopanong	2
Moqhaka	2
Setsoto	1
Tswelopele	2
Gauteng	
West Rand District	N/A
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	N/A
Lephalale	4
Polokwane	1
Thabazimbi	2
Mpumalanga	
eMalahleni	2
Lekwa	2
Mkhondo	2
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	2
Greater Taung	1
Lekwa-Teemane	N/A
Mahikeng	2
Matlosana	2
Moretele	N/A
Moses Kotane	2
Naledi	2
Ngaka Modiri Molema	N/A
Rustenburg	2

Criteria within standard 2.4 best performed against:

- Having licenses in place for waste handling facilities.
- Having at least a draft IWMP in place.

Criteria within standard 2.4 showing poor levels of compliance:

- Compliance to license conditions and the monitoring there-off as well as monitoring of operations at waste handling facilities.
- Designation of Waste Management Officers.

Overall recommendations in respect of standard 2.4 :

- Although the majority of municipalities are allocating resources to the waste management function there is a concern that these resources are insufficient to ensure effective and efficient operation of waste handling facilities, monitoring and reporting. This concern relates especially HR capacity to manage and oversee the operation of these facilities - this is illustrated by the weaker performance in respect of monitoring adherence with and compliance to license conditions, etc.
- It is recommended that municipalities ensure that they do proper costing in respect of managing such facilities in compliance with license conditions and allocate resources accordingly.

Please note that not all municipalities are performing waste disposal functions to their residents. Where this is the case the standard as a whole was marked as “N/A” and affected municipalities were not assessed against the standard criteria.

In general it is suggested that municipalities often are not formalising their draft Integrated Waste Management plans by means of Council approvals as required.

Figure 23: Results achieved in respect of Standard 2.4

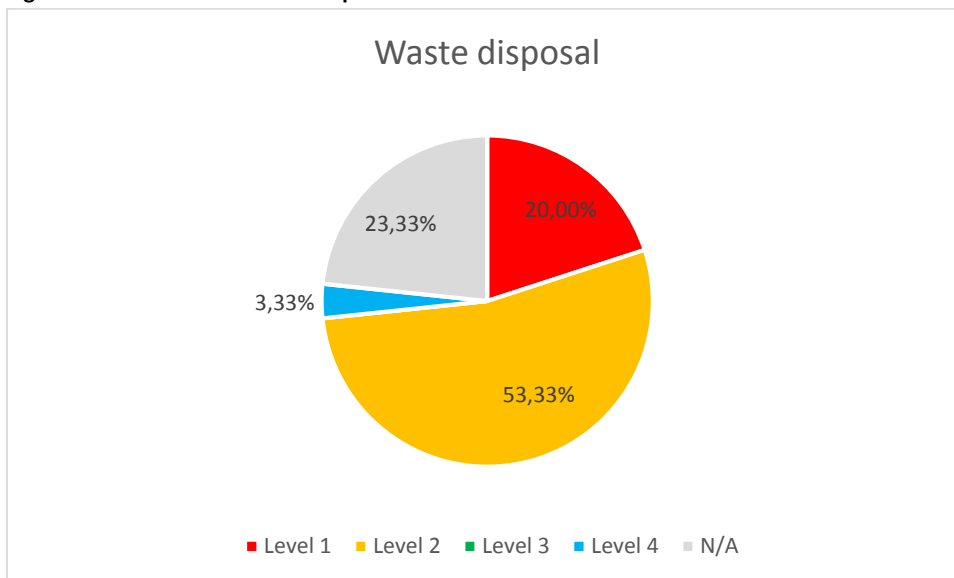


Figure 23 indicates that:

- 20.00% of participating municipalities scored on level 1
- 53.33% of participating municipalities scored on level 2
- 0% scored on level 3
- 3.33% of participating municipalities scored on level 4
- This standard was N/A to 23,33% of participating municipalities

Standard 2.5: Refuse Collection

Constitutionally government is obliged to protect the right to an environment that is not harmful to a person’s health and to have the environment protected for the benefit of present and future generations. Poor refuse collection and transportation practices lead directly to pollution, as well as the degradation of the environment and of public health.

Given the above the standard focussed on whether or not a municipality is aware of the number of clients or residents that do not receive refuse collection services, if the approved Integrated Waste Management Plan does provide for the extension of refuse collection services, if the funding has been set aside for the implementation of such projects and if implementation of these projects are monitored on an ongoing basis.

Please note that District Municipalities often don't have responsibility for providing refuse collection services. Where this is the case the standard as a whole was marked as "N/A" and affected municipalities were not assessed against the standard criteria.

Figure 24: Results achieved per municipality in respect of standard 2.5

Eastern Cape	
Matatiele	4
Mbizana	2
Mhlontlo	2
Senqu	2
Free State	
Kopanong	2
Moqhaka	2
Setsoto	1
Tswelopele	2
Gauteng	
West Rand District	N/A
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	N/A
Lephalale	4
Polokwane	2
Thabazimbi	2
Mpumalanga	
eMalahleni	2
Lekwa	2
Mkhondo	2
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	N/A
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	2
Matlosana	3
Moretele	2
Moses Kotane	2
Naledi	1
Ngaka Modiri Molema	N/A
Rustenburg	2

Criteria within standard 2.5 best performed against:

- Municipalities have a methodology/technique in place to establish demand in respect of refuse collection services in its area of jurisdiction.
- There is at least a draft Integrated Waste Management Plan / 1st generation Integrated Waste Management Plan (IWMP) in place

Criteria within standard 2.5 showing poor levels of compliance:

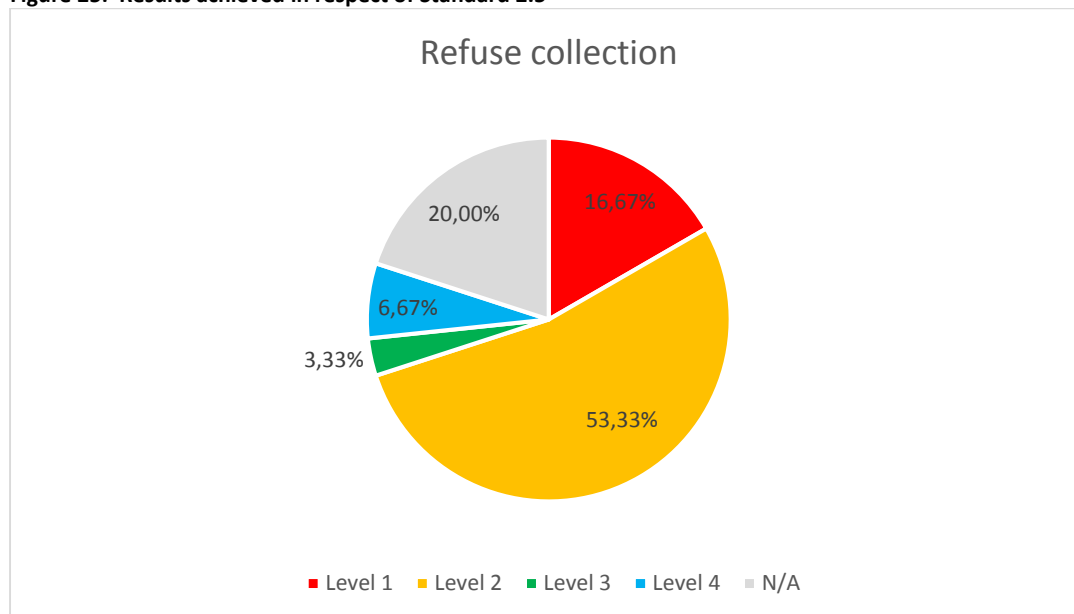
- Municipalities have not formalised their IWMPs through required approvals.
- Monitoring needs to be improved.

Overall recommendations in respect of standard 2.5:

- Municipalities are encouraged to finalise their IWMPs and obtain the relevant approvals thereof.
- Although resources are being allocated it may be insufficient to ensure fully effective refuse collection services i.t.o O&M requirements for vehicles, etc.
- Monitoring of the refuse removal function requires improvement.

Two municipalities, Matatiele LM and Lephalale LM excelled in this standard with both achieving a Level 4 score.

Figure 25: Results achieved in respect of Standard 2.5



The above pie chart is demonstrating that:

- 16.67% of participating municipalities scored on level 1
- 53.33% of participating municipalities scored on level 2
- 3.33% of participating municipalities scored on level 3
- 6.67% of participating municipalities scored on level 4
- This standard was N/A to 20% of participating municipalities

Standard 2.6 Extension of Electricity

The primary constitutional obligation resting on a municipality is the provision of at least a basic level of service (including electricity/ alternative energy) to all users within its area of jurisdiction.

This standard focusses on whether or not a municipality is aware of the number of clients or residents that do not receive electricity/alternative energy, if the approved Electricity Master Plan/Energy Plan provides for the extension of electricity to un- or underserved residents, if funding has been set aside for the implementation of such projects and if implementation of these projects are monitored on an ongoing basis.

Please note that not all municipalities provide electricity extension services to residents. Where this is the case the standard as a whole was marked as “N/A” and affected municipalities were not assessed against the standard criteria.

Figure 26: Results achieved per municipality in respect of standard 2.6

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	1
Moqhaka	1
Setsoto	1
Tswelopele	3
Gauteng	
West Rand District	N/A
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	N/A
Lephalale	N/A
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	1
Mkhondo	1
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	N/A
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	N/A
Matlosana	2
Moretele	N/A
Moses Kotane	N/A
Naledi	1
Ngaka Modiri Molema	N/A
Rustenburg	3

Criteria within standard 2.6 best performed against:

- Municipalities provide an overview of their electricity demand - normally as per latest Census data.
- Some electricity projects are reflected in the SDBIP.

Criteria within standard 2.6 showing poor levels of compliance:

- Electricity master plans are either not yet developed, do not cover the municipality's whole jurisdiction (exclude Eskom areas); or
- The plans are not formalised through the required approvals.
- Monitoring of the implementation of projects need to be improved.

Overall recommendations in respect of standard 2.6:

- Due to a lack of forward planning, it can be assumed that extension of electricity projects may happen in isolation of planning for bulk infrastructure requirements and O&M needs.
- It is suggested that municipalities ensure that sufficient resource allocation for the extension of electricity takes place and is informed by accurate costing of the service.

Figure 27: Results achieved in respect of Standard 2.6

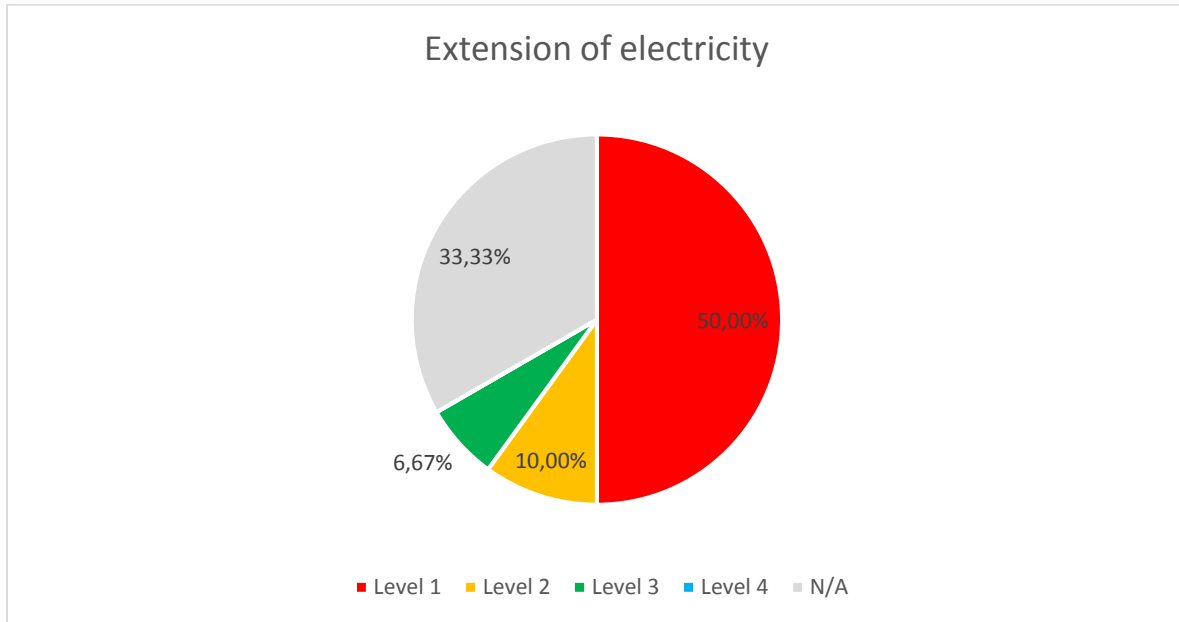


Figure 27 indicates that:

- 50.00% of participating municipalities scored on level 1
- 10.00% of participating municipalities scored on level 2
- 6.67% of participating municipalities scored on level 3
- This standard was N/A to 33.33% of participating municipalities

From the results it can be concluded that electricity master planning is not occurring effectively. This is illustrated by the fact that some municipalities do not even have draft electricity master plans covering their entire jurisdictional areas. Municipalities were thus in general encouraged during the feedback sessions to ensure that electricity master plans are developed where they do not yet exist and draft plans be formalised through the necessary Council approvals as soon as possible.

Standard 2.7: Generation, transmission and distribution of electricity

The primary constitutional obligation resting on a municipality is the provision of at least a basic level of service (including electricity) to all users in its area of jurisdiction.

Given the above the standard criteria focussed on determining if the municipality is:

- operating electricity generation, transmission and/or distribution facilities under a NERSA (National Energy Regulator of South Africa) Licence
- monitoring its compliance with licence conditions; and
- annually spending at least 6% of its electricity business revenue on the repair, maintenance and refurbishment of its electricity network

Not all municipalities are generators, transmitters or distributors of electricity. Where this is the case the standard as a whole was marked as “N/A” and affected municipalities were not assessed against the standard criteria.

Figure 28: Results achieved per municipality in respect of standard 2.7

Eastern Cape	
Matatiele	N/A
Mbizana	2
Mhlontlo	N/A
Senqu	2
Free State	
Kopanong	N/A
Moqhaka	2
Setsoto	2
Tswelopele	3
Gauteng	
West Rand District	N/A
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	N/A
Lephalale	N/A
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	2
Mkhondo	1
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	N/A
Greater Taung	N/A
Lekwa-Teemane	1
Mahikeng	N/A
Matlosana	2
Moretele	N/A
Moses Kotane	N/A
Naledi	1
Ngaka Modiri Molema	N/A
Rustenburg	2

Criteria within standard 2.7 best performed against:

- Municipalities are operating under licenses, however it seems licences are not reviewed and renewed by NERSA as regularly as would be preferred.
- Municipalities are submitting D-forms but the completeness of these could not be established.

Criteria within standard 2.7 showing poor levels of compliance:

- Monitoring of compliance against licence conditions is not optimal.
- Municipalities are not committing at least 6% of its electricity business revenue to repair and maintenance of their networks.

Overall recommendations in respect of standard 2.7:

- It seems that the monitoring of compliance to licence conditions still needs to be institutionalised in most of the municipalities as monitoring seems to relate more to other operational matters than to compliance to the licence conditions.
- Generally it seems that municipalities are not spending sufficient resources on the repair and maintenance of their electricity networks.

Figure 29: Results achieved in respect of Standard 2.7

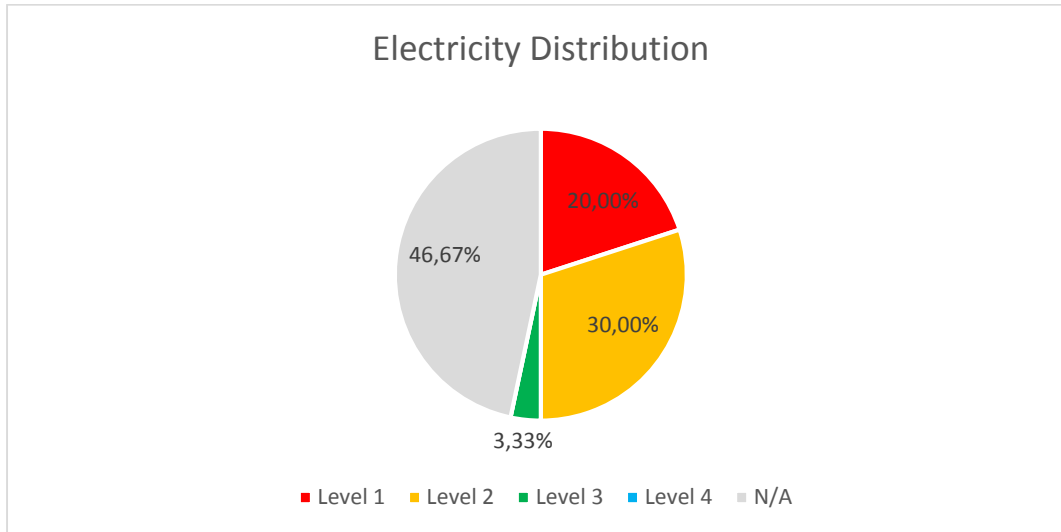


Figure 29 indicates that:

- 20.00% of participating municipalities scored on level 1
- 30.00% of participating municipalities scored on level 2
- 3.33% of participating municipalities scored on level 3
- This standard was N/A to 46,7% of participating municipalities

Evidence seems to point to electricity licences being renewed by NERSA without a proper review being carried out. Over the medium to long term this may lead to weaknesses in network expansion and operation and maintenance as the current status quo is not adequately taken into account when “new” licence conditions are imposed upon the renewal of licences. The Department of Energy is already warning that the next wave of “load shedding” will result from failures in distribution due to neglect of network maintenance and refurbishment by municipalities. The criteria requiring that at least 6% of electricity business revenue be spent on the repairs, maintenance and refurbishment of electricity networks is the main reason why only one municipality achieved a level 3 score. It was thus recommended that municipalities should strive to ring fence their electricity business revenue with the aim of ensuring that sufficient funding is available for the repair and maintenance of the electricity network.

Standard 2.8: Mapped and maintained transport network

Road infrastructure supports domestic and regional needs and is an effective catalyst for spatial development, the development of businesses, transport systems and human settlements. Road infrastructure also facilitates the mobility of goods and people, provides connections to the external world and specifically access to markets and public services such as ambulances and police services. Given this the standard criteria focussed on determining if the municipality has:

- An approved integrated transport plan in place
- Mapped the condition and usage patterns of its transport network
- Budgeted for the implementation of the road extension and maintenance projects
- Monitored the implementation of and expenditure against such projects

Figure 30: Results achieved per municipality in respect of standard 2.8

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	2
Senqu	1
Free State	
Kopanong	2
Moqhaka	1
Setsoto	1
Tswelopele	1
Gauteng	
West Rand District	2
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	4
Polokwane	2
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	1
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	2
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	2
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	1

Criteria within standard 2.8 best performed against:

- Road extension and maintenance projects are captured within the SDBIP for the current financial year.

Criteria within standard 2.8 showing poor levels of compliance:

- Development of Integrated Transport plans.
- Monitoring of the transport projects.

Overall recommendations:

- There is a need for municipalities to put in place approved Integrated Transport Plans.
- Municipalities should ensure that they regularly assess the condition and usage of their roads as this information is required to inform planned maintenance and upgrading work required.

Figure 31: Results achieved in respect of Standard 2.8

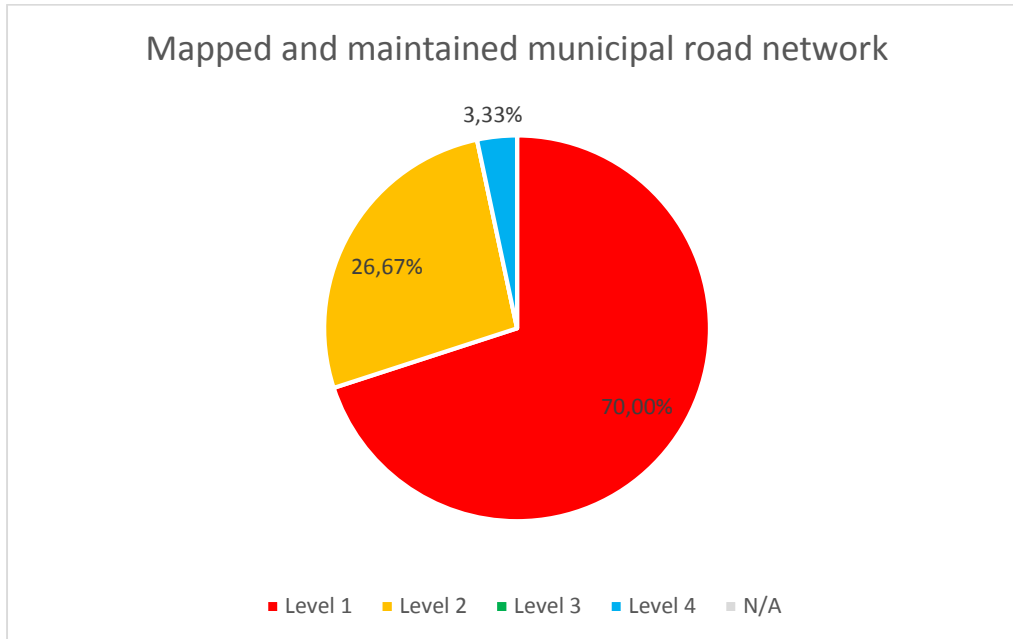


Figure 31 above indicates that 70,00% of participating municipalities scored on level 1, 26.67% on level 2 and the remaining 3.33% on Level 4.

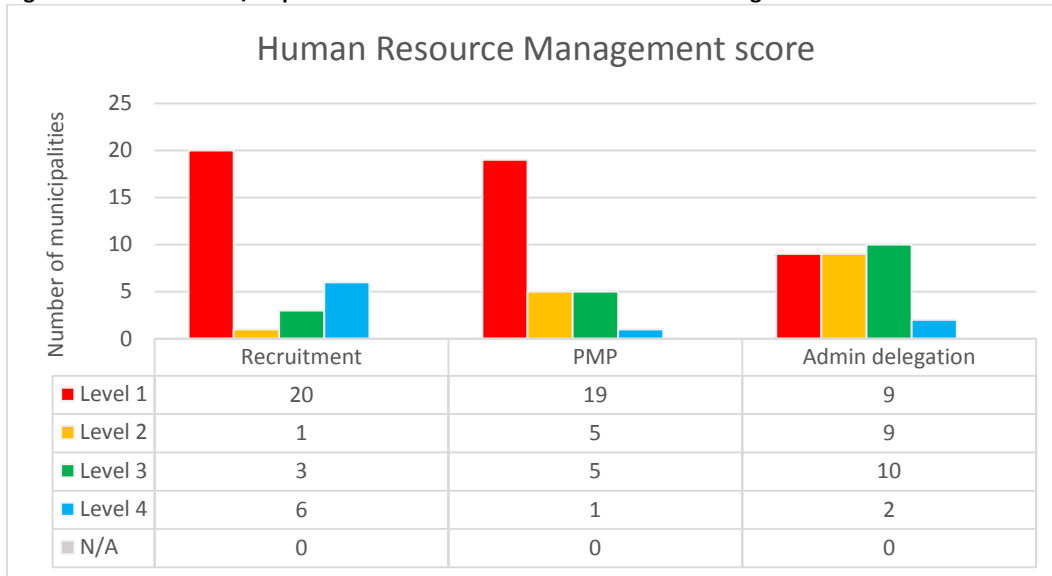
The above results indicate that municipalities are facing challenges with regards to ensuring that Integrated Transport plans are formally approved and submitted to the relevant MEC for Transport. This important to ensure that planning and implementation of transport projects across municipal boundaries and spheres of government is integrated. Regular assessment of the condition and usage of the road network is important to pro-actively anticipate maintenance and upgrading requirements.

KPA 3: HUMAN RESOURCE MANAGEMENT

Human Resource Management describes processes for managing people in organisations. Its purpose is to maximise productivity by improving the effectiveness of its employees. Poor recruitment practices have posed particular challenges in the local government sphere, prompting the development of minimum competency requirements for senior managers in local government. Rigorous implementation of these regulations and improving upon performance management practices is important in ensuring that people with the necessary skills and competencies are recruited and employee effectiveness is enhanced. The Human Resources Management KPA is monitored through three standards:

- Application of prescribed recruitment practises
- Implementation of prescribed performance management practices for municipal managers and managers reporting directly to the municipal manager.
- Approved Administrative and Operation Delegations i.t.o the Municipal Systems Act.

Figure 32: Overall 2014/15 performance on KPA 3: Human Resource Management



Of the 3 standards making up this KPA, municipalities performed poorly in 2 of the core human resource management standards, viz. prescribed recruitment practices and performance management practices (PMP). This indicates that municipalities are having difficulty complying with the minimum competencies regulations and effective management of the performance of senior managers. While the standard on delegations showed better results, there is room for improvement in 18 of the 30 municipalities.

Standard 3.1: Prescribed recruitment practices

Municipal capacity to deliver on its goals and objectives is often severely constrained by high vacancy rates and lack of suitably qualified individuals with the relevant skills and expertise to perform the duties associated with the post in question, particularly in key management, financial and technical positions.

Given the above, the standard criteria focused on determining if municipalities are adhering to the requirements as set out in the Municipal Finance Management Act, Regulation 493 of 2007 and the Municipal Systems Act, Municipal Regulations on the appointment and conditions of employment of Senior Managers of 2014 when recruiting personnel. Vacancies at senior management level are also assessed.

The results achieved per municipality are shown in the table below.

Figure 33: Results achieved per municipality in respect of standard 3.1

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	4
Free State	
Kopanong	4
Moqhaka	1
Setsoto	2
Tswelopele	4
Gauteng	
West Rand District	4
Westonaria	1
Limpopo	
Ba-Phalaborwa	3
Sekhukhune	1
Lephalale	4
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	3
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	4
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	3

Criteria within standard 3.1 best performed against:

- In general it seems that municipalities have been able to keep their vacancy rates at SMS level to below 30%.

Criteria within standard 3.1 showing poor levels of compliance:

- It is suggested that reporting against compliance with R493 should be improved.

Overall recommendations in respect of standard 3.1:

- Municipalities should note all senior managers' appointments made after January 2014 must take place in line with the new requirements as set out in the 2014 MSA Regulation.

Six municipalities (Senqu, Kopanong, Tswelopele, West Rand DM, Lephalale and Dr Ruth S Mompoti) excelled in this standard with all recording a score at level 4. They have demonstrated adherence to the requirements of both the MFMA and MSA regulations with

respect to recruitment of senior managers and maintaining very low to zero vacancies at senior management levels.

Figure 34: Results achieved in respect of Standard 3.1

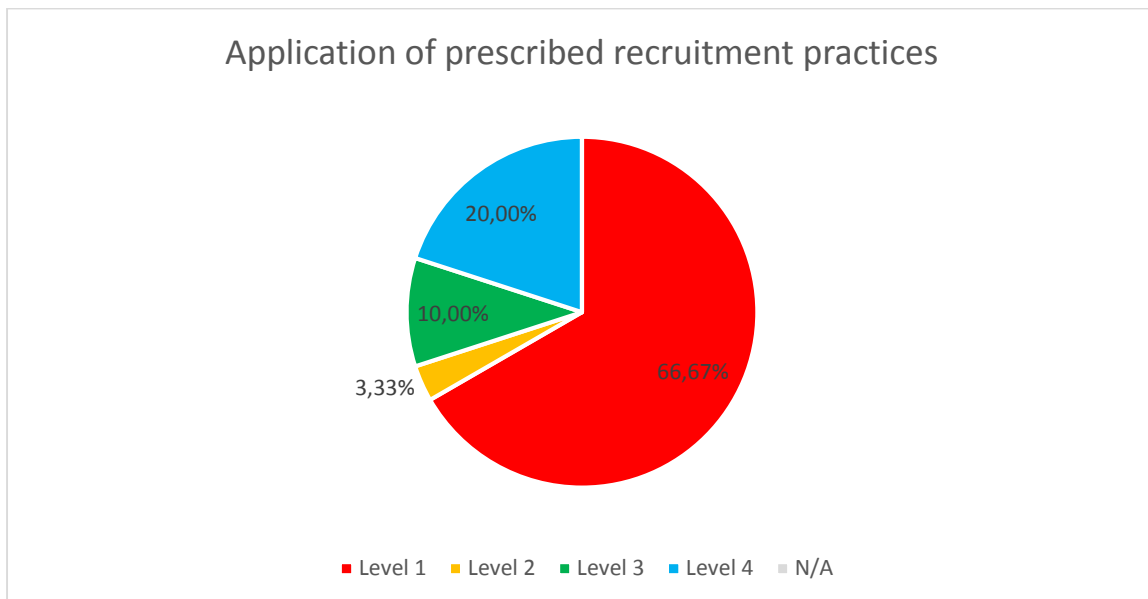


Figure 34 indicates that:

- 66,67% of participating municipalities scored on level 1
- 3,3% of participating municipalities scored on level 2
- 10.00% of participating municipalities scored on level 3
- 20.00% of participating municipalities scored on level 4

Standard 3.2: Prescribed performance management practices

The success or failure of a municipality to deliver on its goals and objectives is dependent on the extent to which the municipality has an effective performance management system that optimise the output of its employees. If properly applied the results of the annual performance reviews of MMs and senior managers reporting to MMs should reflect/mirror the municipality's (institutional) performance. Regulation R805 of the MSA set out how the performance of municipal managers, and managers directly accountable to MMs, will be uniformly directed, monitored and improved. It addresses the employment contracts and performance agreements of these managers in anticipation that these instruments will in combination ensure a basis for performance management and continuous improvement in local government.

Given the above the standard criteria focussed on determining if municipalities have approved performance management policies in place, whether or not senior managers have

employment contracts and annual performance agreements in place available for public scrutiny and if annual performance assessments for senior managers are undertaken.

The results per municipality for this standard are shown in the table below.

Figure 35: Results achieved per municipality in respect of standard 3.2

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	2
Moqhaka	2
Setsoto	1
Tswelopele	3
Gauteng	
West Rand District	2
Westonaria	1
Limpopo	
Ba-Phalaborwa	2
Sekhukhune	1
Lephalale	4
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	3
Mkhondo	1
North West	
Bojanala	2
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	3
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	3

Criteria within standard 3.2 best performed against:

- Municipalities in general have approved policy on the performance management system with timelines and structures including roles and responsibilities in place.

Criteria within standard 3.2 showing poor levels of compliance:

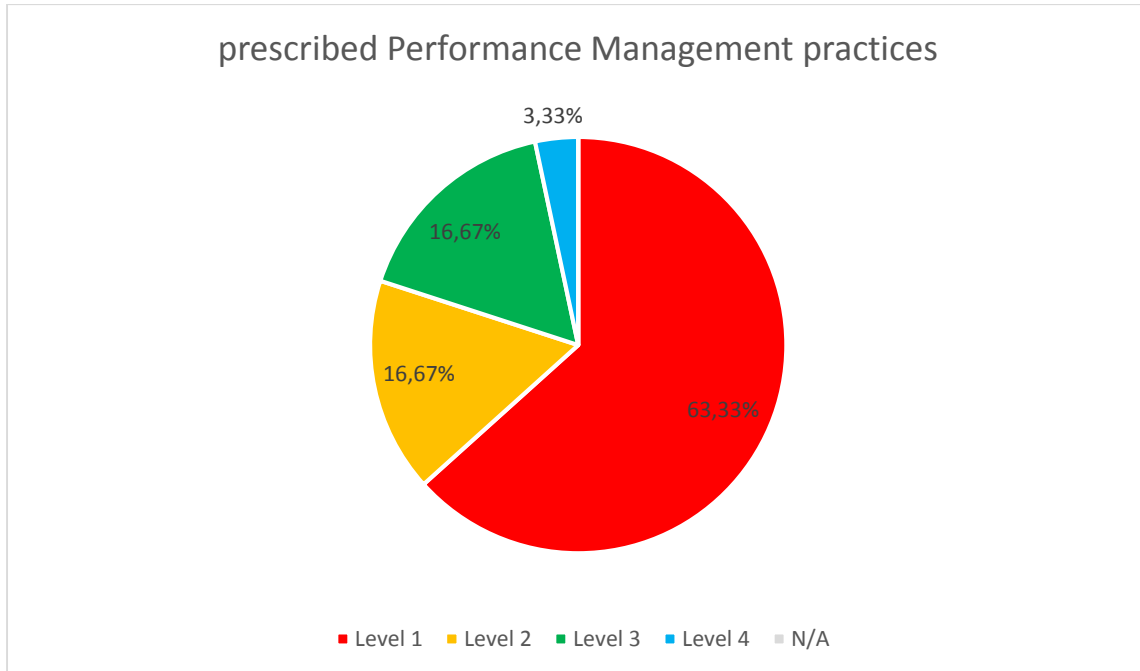
- Municipalities seemed to have been reluctant to provide copies of employment contracts for managers as evidence.
- Finalisation of annual performance assessments seems to be problematic.
- The availability of performance agreements for public scrutiny is not generally complied with.

Overall recommendations in respect of standard 3.2:

- Performance Management policies should be reviewed to ensure alignment with the 2014 MSA Regulation.
- Municipalities should be encouraged to conclude annual performance assessments timeously.

As can be seen from Figure 35 only Lephalale in Limpopo province excelled in this standard and achieved a Level 4. .

Figure 36: Results achieved in respect of Standard 3.2



As is indicated in Figure 35, 63.33% of the participating municipalities scored on level 1, 16.67 % on level 2, 16.67% on level 3 and 3.33% scored on level 4.

Standard 3.3 Administrative and Operational Delegations

Effective delegations result in improved service delivery through more efficient decision making closer to the point where services are rendered. An appropriate system of delegations will ensure that the workload of an Accounting Officer (MM), managers reporting to the MM, and CFO and or BTO manager are better managed therefore enabling them to devote more attention to strategic issues.

Given the above, the standard criteria focussed on determining whether or not municipalities have an approved system of administrative and operational delegations in place as prescribed by the MSA that has been updated/reviewed since the last local government elections in 2011.

The results achieved per municipality for this standard are shown in the table below.

Figure 37: Results achieved per municipality in respect of standard 3.3

Eastern Cape	
Matatiele	3
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	3
Moqhaka	2
Setsoto	4
Tswelopele	2
Gauteng	
West Rand District	2
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	4
Polokwane	2
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	3
Mkhondo	1
North West	
Bojanala	3
Dr Kenneth Kaunda	3
Dr Ruth S Mompoti	3
Greater Taung	2
Lekwa-Teemane	1
Mahikeng	3
Matlosana	2
Moretele	2
Moses Kotane	2
Naledi	3
Ngaka Modiri Molema	2
Rustenburg	3

Criteria within standard 3.3 best performance against:

- Municipalities have systems of administrative and operational delegations in place as prescribed by the MSA but it has not been reviewed and updated after the last local government elections.

Criteria within standard 3.3 showing worst levels of compliance:

- Insufficient evidence was provided that municipal systems of administrative and operational delegations have been reviewed and updated after the last local government elections.

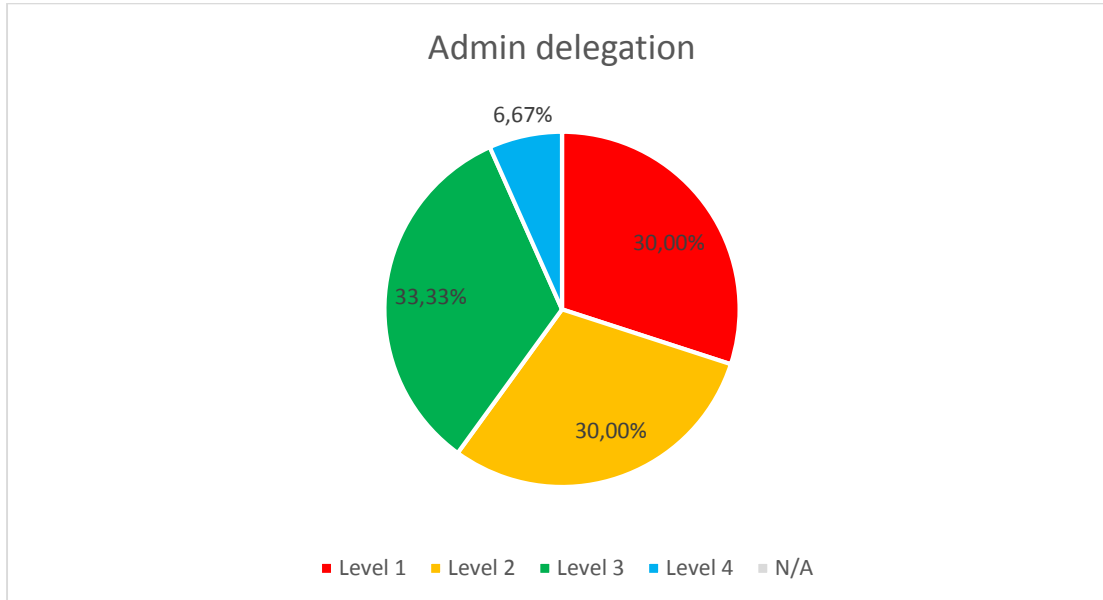
Overall recommendations:

- Municipalities should keep in mind that after the upcoming 2016 Local Government elections - a review of the system of delegations should be done.

Generally all municipalities that scored a level 2 or level 1 were not able to provide proof that their system of administrative and operation delegations was reviewed since the last local government elections in 2011. It thus seems as if the systems of delegations are relatively static documents and are not adjusted as often as recommended in Circular 73.

Ten municipalities did however, despite the above mentioned challenges score a level 3 (indicating full compliance) against the criteria of standard 3.3 while 2 municipalities (Setsoto and Lephalale) have excelled in this standard.

Figure 38: Results achieved in respect of Standard 3.3



As indicated by Figure 38 above 30.00% of participating municipalities scored on level 1, a further 30.00% scored on level 2, 33.33% scored on level 3 and 6.67% on level 4.

In general it was observed that administrative and operational delegations as well as the financial delegations i.t.o. of the MFMA are normally contained within the same document as they are normally reviewed and tabled for approval at the same time.

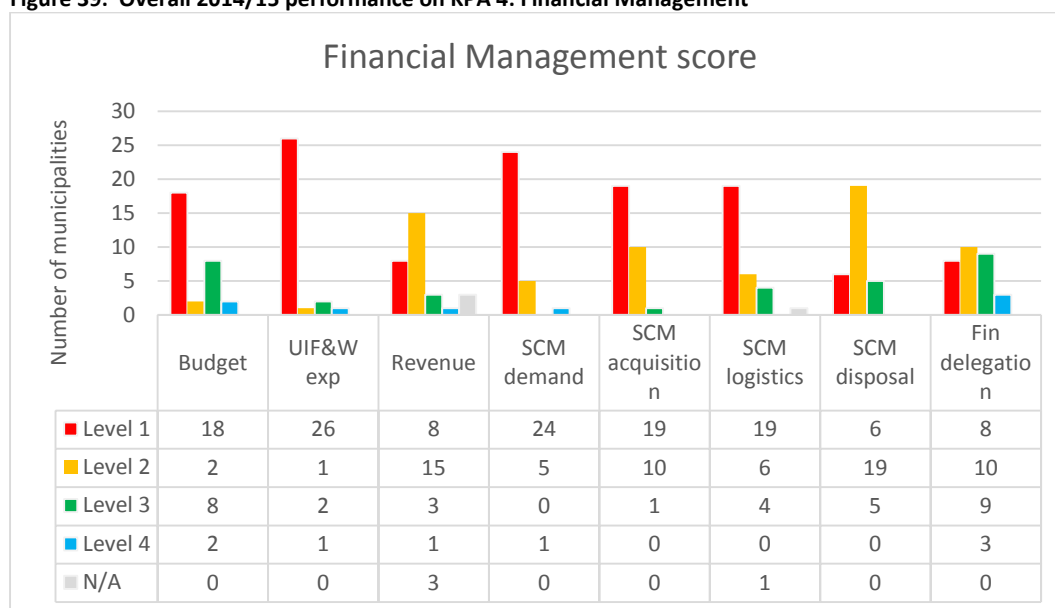
KPA 4: FINANCIAL MANAGEMENT

Financial management processes involve the administration of funds used to deliver public services and includes the budget planning, efficient management of resources, supply chain management and exercising controls in the management of unauthorised, irregular or fruitless and wasteful expenditure.

The Financial Management KPA is monitored through eight standards:

- Effective budget planning and management
- Management of unauthorised, irregular or fruitless and wasteful expenditure
- Revenue management
- Supply Chain Management (inclusive of demand, acquisition, logistics and disposal management)
- Approved financial delegations i.t.o. the MFMA.

Figure 39: Overall 2014/15 performance on KPA 4: Financial Management



The overall performance in this KPA shows weaknesses in respect of budget planning, management of unauthorised, irregular, fruitless and wasteful expenditure in combination with the standards on various components of supply chain management.

Each of the 8 standards comprising KPA 4 are discussed below.

Standard 4.1: Effective budget planning and management

If a municipality does not have a budget that is planned and managed effectively, a municipality runs the risk of its revenue projections being unrealistic, operating expenses being too high, or the capital budget being too ambitious. Such budget imbalances impact negatively on the financial viability of the municipality and its effectiveness in delivering services.

Given the above, the standard criteria are focussed on establishing if:

- historical trends in expenditure informs budget planning and management,
- budget monitoring is taking place in accordance with the Municipal Budget and Reporting Regulations
- budget monitoring reports are tabled in council at least on a quarterly basis

Figure 40: Results achieved per municipality in respect of standard 4.1

Eastern Cape	
Matatiele	3
Mbizana	1
Mhlontlo	4
Senqu	1
Free State	
Kopanong	1
Moqhaka	2
Setsoto	3
Tswelopele	3
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	3
Sekhukhune	1
Lephalale	3
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	1
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	2
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	3
Matlosana	1
Moretele	3
Moses Kotane	4
Naledi	3
Ngaka Modiri Molema	1
Rustenburg	1

Criteria within standard 4.1 best performed against:

- Schedule C (MBRR) reports/ Section 71 reports (MFMA) are completed in accordance with relevant prescripts and reports are tabled to council at least twice per FY.

Criteria within standard 4.1 showing poor levels of compliance:

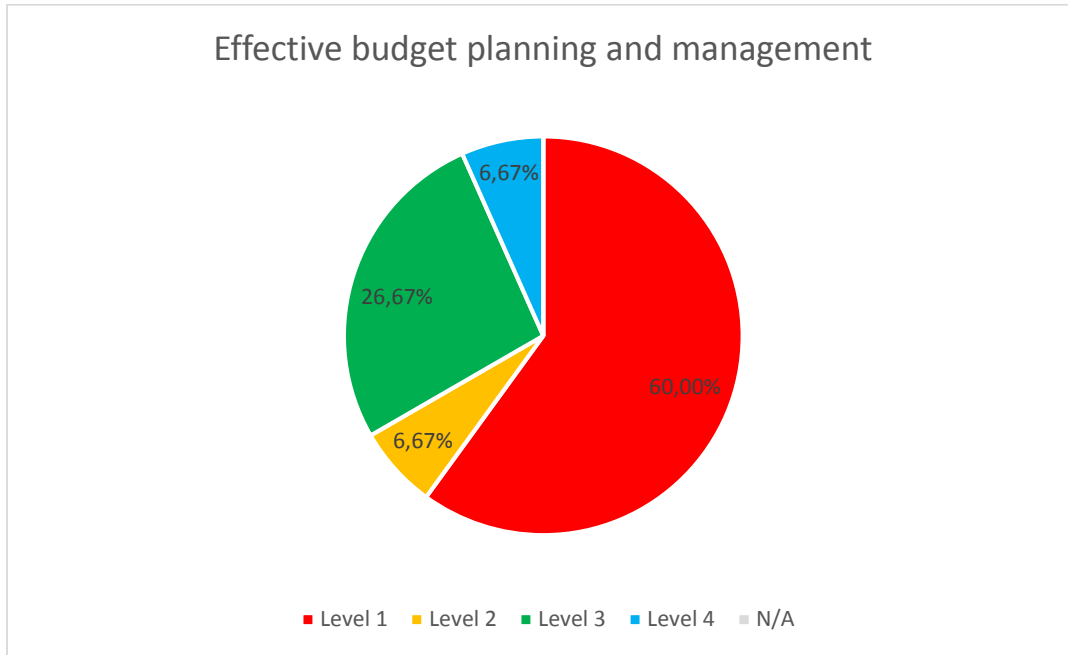
- Municipal budgets continuously demonstrate a mismatch between historical trends and future projections.

Overall recommendations in respect of standard 4.1:

- Municipalities should ensure that historical trends in expenditure inform budget planning and management.
- Municipalities should avoid running deficit budgets by ensuring realistic projections on revenue and expenditure is made when planning their budgets.

As illustrated in Figure 39, ten municipalities scored a level 3 or above in relation to the criteria of standard 4.1. Mhlontlo in Eastern Cape and Moses Kotane in the North West province both scored a level 4 as they were able to demonstrate a very healthy cash/cost (cash over cost) coverage ratio (excluding unspent unconditional grants) of 3 months as recommended in MFMA circular 71.

Figure 41: Results achieved in respect of Standard 4.1



As indicated in Figure 41 above:

- 60.00% of participating municipalities scored on level 1
- 6.67% of participating municipalities scored on level 2
- 26.67% of participating municipalities scored on level 3
- 6.67% of participating municipalities scored on level 4

Standard 4.2: Management of unauthorised, irregular, and or fruitless and wasteful expenditure.

The purpose of this standard is to encourage municipalities to have documented policies and procedures in place to prevent, detect and report the occurrence of unauthorised, irregular and/or fruitless and wasteful expenditure and to takes disciplinary action in this regard.

Given the above, the standard criteria focussed on establishing whether or not municipalities have policies and processes in place to prevent, detect and report unauthorised, irregular and/ or fruitless and wasteful expenditure; if the municipal manager informs the Mayor or Executive Committee, MEC for Local Government and Auditor General when these types of expenditure occurs; if relevant council committee investigates the recoverability of such expenditures and reports their findings to council and lastly if council takes decisions to recover, authorise or writes-off such expenditure.

Figure 42: Results achieved per municipality in respect of standard 4.2

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	3
Moqhaka	1
Setsoto	1
Tswelopele	2
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	1
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	1
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	1
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	4
Ngaka Modiri Molema	1
Rustenburg	3

Criteria best performed against:

- Performance against this standard is generally poor in respect of all criteria set.

Criteria showing poor levels of compliance:

- It seems that reporting and investigation of unauthorised, irregular, fruitless and wasteful expenditure needs to be enhanced significantly.

Overall recommendations:

- Proper investigation of the nature and reasons for unauthorised, irregular and /or fruitless and wasteful expenditure should be encouraged.
- Appropriate remedial action to address the occurrence of unauthorised, irregular and /or fruitless and wasteful expenditure should be taken.
- Municipalities are encouraged to analyse and review the effectiveness of internal controls and systems to prevent the reoccurrence of unauthorised, irregular or fruitless and wasteful expenditure on an annual basis.

Just 3 municipalities scored at Level 3 or above for this standard suggesting serious gaps in the management of unauthorised, irregular, fruitless and wasteful expenditure.

Naledi Local Municipality in the North West scored at level 4 as the municipality was able to demonstrate a substantial decrease in fruitless and wasteful expenditure.

Figure 43: Results achieved in respect of Standard 4.2

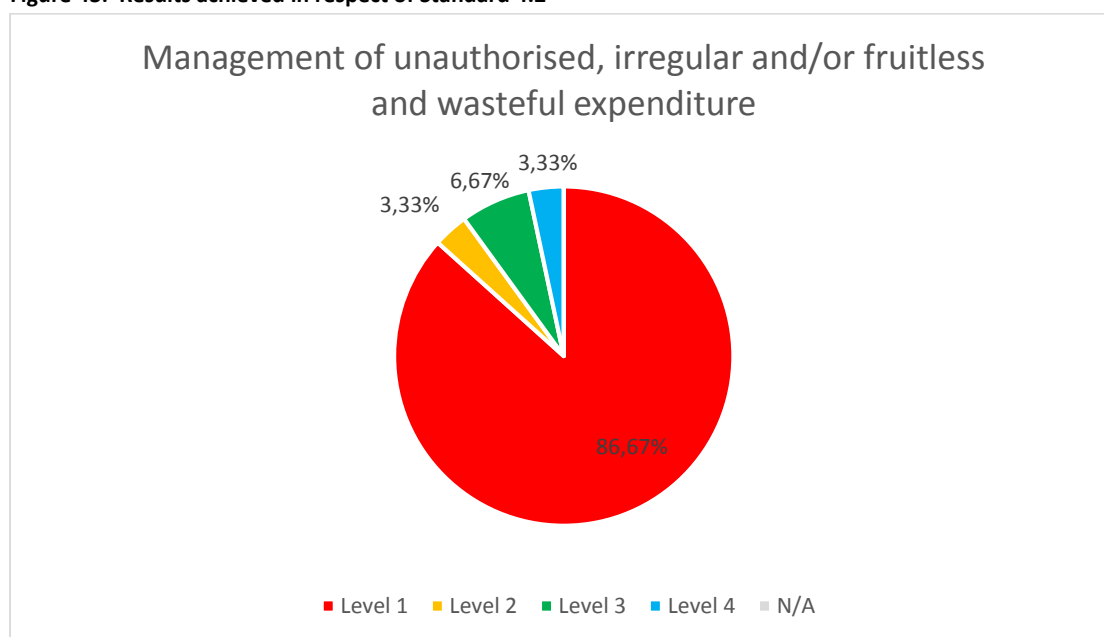


Figure 43 illustrates that 86.67% of municipalities scored on level 1; 3.33% scored on level 2; 6.67% on level 3 and 3.33% on level 4.

Standard 4.3: Revenue Management

Municipalities are expected to rely primarily on own revenue to finance their operations. The revenue management capacity of a municipality affects its ability to fulfil its mandate.

Given the above, the standard criteria focussed on whether or not municipalities have approved revenue management policies (covering credit control, rates and tariff setting and billing system) in place; if bylaws are in place to give effect to the implementation of rates and tariff policies; if revenue management and debt collection are reported to council; if municipalities are able to maintain a 95% collection rate in line with the national norm prescribed in MFMA Circular 71 and lastly if measures are in place to recover outstanding debt in accordance with municipal credit control policy.

Figure 44: Results achieved per municipality in respect of standard 4.3

Eastern Cape	
Matatiele	3
Mbizana	2
Mhlontlo	1
Senqu	2
Free State	
Kopanong	3
Moqhaka	2
Setsoto	1
Tswelopele	3
Gauteng	
West Rand District	2
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	4
Polokwane	1
Thabazimbi	2
Mpumalanga	
eMalahleni	2
Lekwa	1
Mkhondo	1
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	N/A
Greater Taung	2
Lekwa-Teemane	2
Mahikeng	2
Matlosana	2
Moretele	2
Moses Kotane	2
Naledi	2
Ngaka Modiri Molema	1
Rustenburg	2

Criteria within standard 4.3 best performed against:

- Municipalities have the required policies in place and reports to council as required.

Criteria within standard 4.3 showing poor levels of compliance:

- Maintaining a collection rate of 95% average is problematic. Debt collection is problematic.

Overall recommendations in respect of standard 4.3:

- Municipalities should place more emphasis on implementing effective debt collection strategies as to improve their collection rate over time.
- Municipalities should endeavour to engage communities on the benefits of paying for services so as to promote willingness to pay amongst their customers.

It should be noted that district municipalities generally have limited sources of revenue (given that they often do not provide the main revenue generating services to consumers e.g. water, sanitation, electricity and refuse removal) and as such the standard was for the most part not applicable to district municipalities.

Under performance in this standard places municipalities at a high risk of not being able to generate the revenues to achieve service delivery targets.

Rising levels of debt owed to municipalities is becoming a burning issue requiring a policy response.

Four municipalities scored at level 3 and above. Lephalale LM excelled in this standard demonstrating a high revenue collection rate and a reduction in overall outstanding debt after write-offs.

Figure 45: Results achieved in respect of Standard 4.3

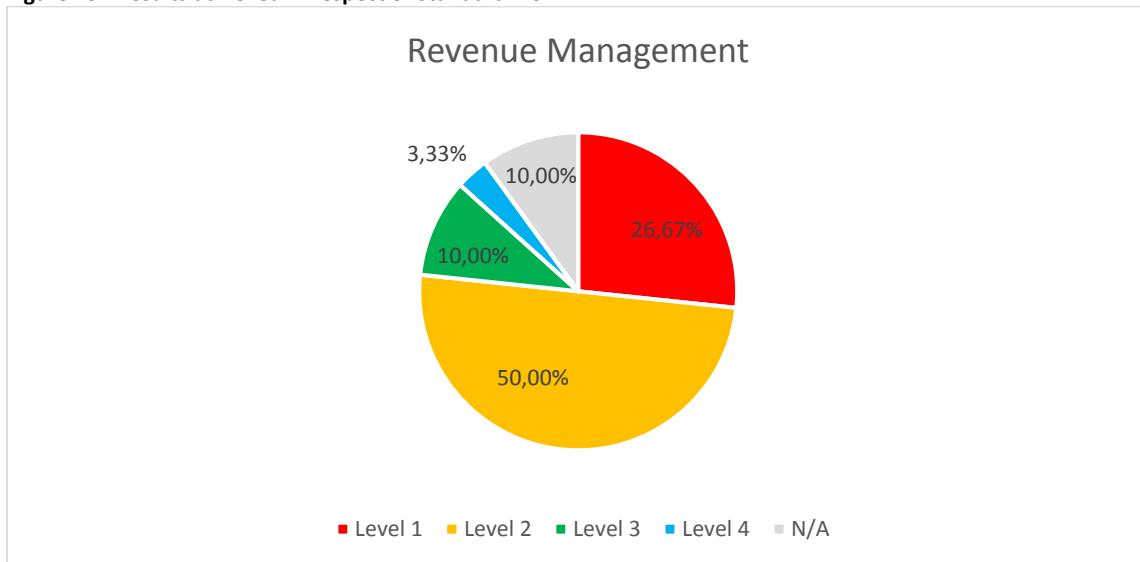


Figure 45 illustrates that:

- 26,7% of participating municipalities scored on level 1
- 50.00% of participating municipalities scored on level 2
- 10.00% of participating municipalities scored on level 3
- 3.33% of participating municipalities scored on level 4
- This standard was N/A to 10.00% of participating municipalities (mostly district municipalities))

4.4: Supply Chain Management

Supply Chain Management (SCM) could be described as a process that ensures that goods, works or services are delivered at the right place, quantity, quality, cost and time. It comprises four components; demand management; acquisition management; logistics management and disposal management. Each is discussed below.

4.4.1: Supply Chain Management: Demand Management

Demand Management constitutes the planning phase of the SCM function. Demand management within SCM forms an integral part of a series of activities that will contribute to achieving the measured goals of the municipality by ensuring that goods, works or

services are delivered as originally envisaged; with a reliable standard of quality and to the satisfaction of end-users.

Given the above, the standard criteria focussed on establishing if the municipality has:

- a supply chain management policy that address demand management
- a schedule of procurement plans in place completed prior to the start of the financial year
- a Supply Chain Management Unit that monitors and assesses the validity and accuracy of and compliance to procurement plans (listed in the procurement schedule) and submits reports in this regard to the municipal manager

Figure 46: Results achieved per municipality in respect of standard 4.4.1

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	2
Moqhaka	1
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	2
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	1
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	1
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	4

Criteria within standard 4.4.1 best performed against:

- Production and approval of a SCM policy that includes demand management.

Criteria within standard 4.4.2 showing poor levels of compliance:

- Absence of schedules of procurement plans that are finalised by the SCM unit prior to the commencement of the financial year.
- Monitoring of compliance to the procurement plans listed in the schedule as well as assessment of its validity and accuracy.

Overall recommendations in respect of standard 4.4.1:

- Municipalities must ensure that their approved SCM policies comprehensively deal with demand management.
- Municipalities should ensure that they compile schedules of their procurement plans prior to the commencement of the financial year as this enables municipalities to monitor the implementation of procurement plans.

Generally the results indicate that municipalities were for the most part not able to produce the schedule of procurement plans (referring to a schedule containing all municipal procurement above a transaction value of R200 000 VAT included as well as multi-year contracts) – this caused most municipalities to score on level 1.

Rustenburg Local Municipality scored on level 4 because the municipality was able to demonstrate that it has a demand management plan (schedule of procurement plans) finalised prior to start of the financial year that covered all the municipal procurement needs above and below R200,000.

Figure 47: Results achieved in respect of Standard 4.4.1

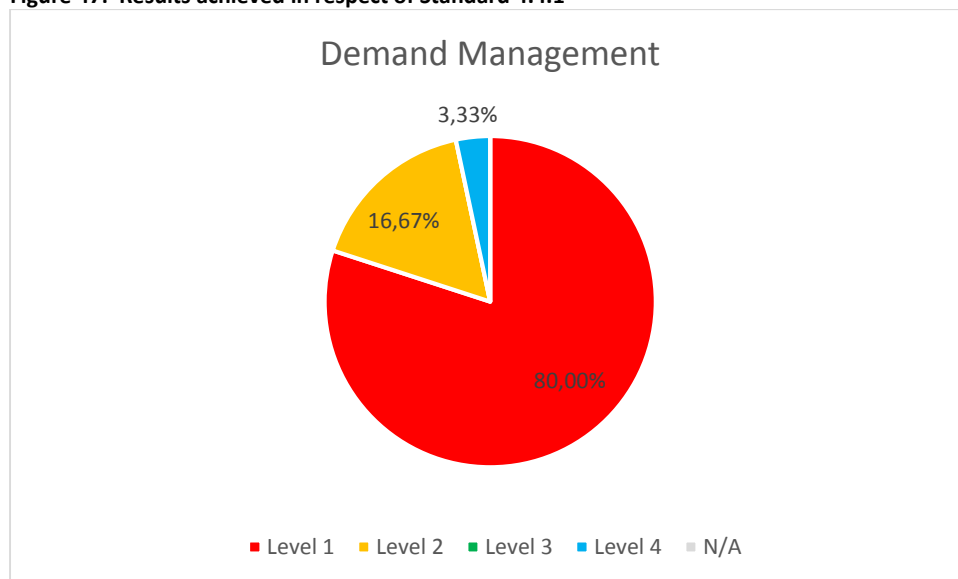


Figure 47 illustrate that:

- 80.00% of participating municipalities scored on level 1
- 16.67% of participating municipalities scored on level 2
- 3,3% of participating municipalities scored on level 4

Standard 4.4.2: Acquisition Management

Acquisition Management is the procurement phase of the SCM function. The purpose of the standard is to assess whether municipalities have processes in place to procure goods, works and services in a manner that promotes the constitutional principles of fairness, equity, transparency, competitiveness and cost-effectiveness.

Given the above, the standard criteria focussed on establishing if the municipality has:

- a supply chain management policy that address acquisition management
- a bid register in respect of advertised competitive bides
- a list of accredited prospective providers in place that meets National Treasury Requirements and is updated annually through a registration process

- an appropriately constituted bid adjudication committee
- maintained timeous payment of providers within 30 days
- reported on providers performance in their annual performance report

Figure 48: Results achieved per municipality in respect of standard 4.4.2

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	3
Moqhaka	1
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	2
Lephalale	2
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	2
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	2
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	2
Matlosana	1
Moretele	2
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	2

Criteria within standard 4.4.2 best performed against:

- Acquisition management is simply noted in SCM policies, but often lack details.
- Municipalities should also note the importance of having their SCM policies formalised by obtaining relevant approvals thereof.

Criteria within standard 4.4.2 showing poor levels of compliance:

- Absence of lists of accredited prospective providers that are updated annually, showing providers and goods/services offered.
- Adequate records of payments to service providers and meeting the 30 days payment obligation upon receipt of valid and accurate invoice.

Overall recommendations in respect of standard 4.4.2:

- Municipalities must ensure that their approved SCM policies comprehensively deal with acquisition management. Performance of service providers is monitored and reported upon.
- Municipalities should note that it is a national imperative to strive to pay all service providers within 30 days of receipt of an accurate invoice.

Just one municipality scored on level 3 in this standard.

Figure 49: Results achieved in respect of Standard 4.4.2

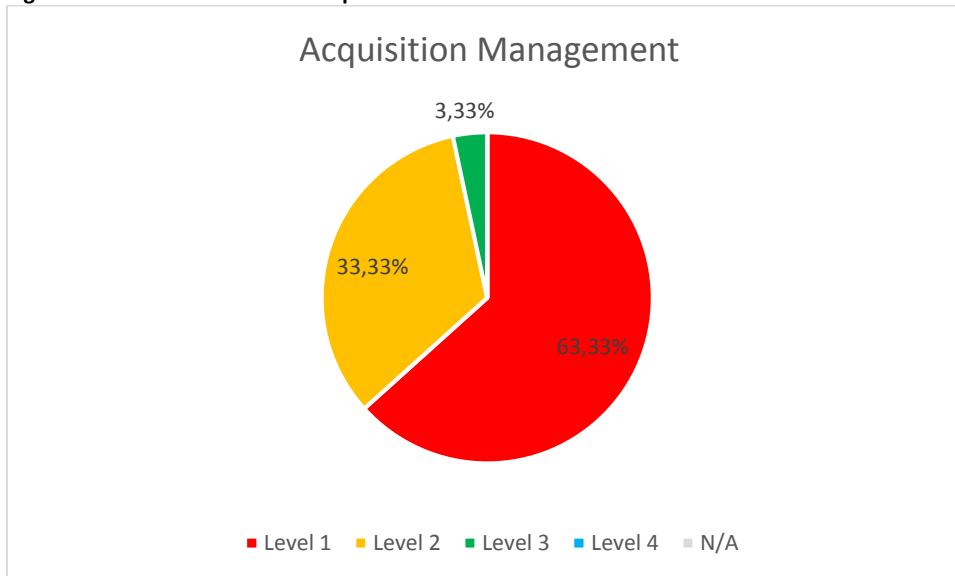


Figure 49 indicate that 63.33% of participating municipalities scored on level 1, 33,3% on level 2 and 3.33% on level 3.

Standard 4.4.3: Logistics Management

Logistics management is the management of inventory and comprises the issuing of orders, storage of goods, and distribution of inventory, contract management and management of assets. The purpose of this standard is to assess whether municipalities have policies and procedures that promote the principles of efficiency, effectiveness and economy in managing assets, goods held as inventory and /or services rendered.

Given the above, the standard criteria focussed on establishing if municipalities have documented policies/processes for setting inventory levels, placing orders, receiving and distribution of goods, store and warehouse management, expediting orders, transport management and contract administration and that these policies/process are implemented.

The result, per participating municipality is shown in table 50 below.

Figure 50: Results achieved per municipality in respect of standard 4.4.3

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	2
Moqhaka	1
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	1
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	3
Mkhondo	3
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	N/A
Greater Taung	3
Lekwa-Teemane	1
Mahikeng	2
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	3

Criteria within standard 4.4.3 best performed against:

- Municipalities seem to note logistics management in their SCM policies, but might need to expand more on the details of this. Municipalities should also note the importance of having their SCM policies formalised by obtaining relevant approvals thereof.

Criteria within standard 4.4.3 showing poor levels of compliance:

- Regular stock tacking should be institutionalised as this facilitates the timely availability of goods that in turn promotes effective service delivery.
- Keeping the inventory system updated should be institutionalised as this facilitates the timely availability of goods that in turn promotes effective service delivery.

Overall recommendations in respect of standard 4.4.3:

- Keeping the inventory system updated should be institutionalised as this facilitates the timely availability of goods that in turn promotes effective service delivery.

Four municipalities performed a level 3 in this standard while the remainder were either at level 2 or below.

Figure 51: Results achieved in respect of Standard 4.4.3

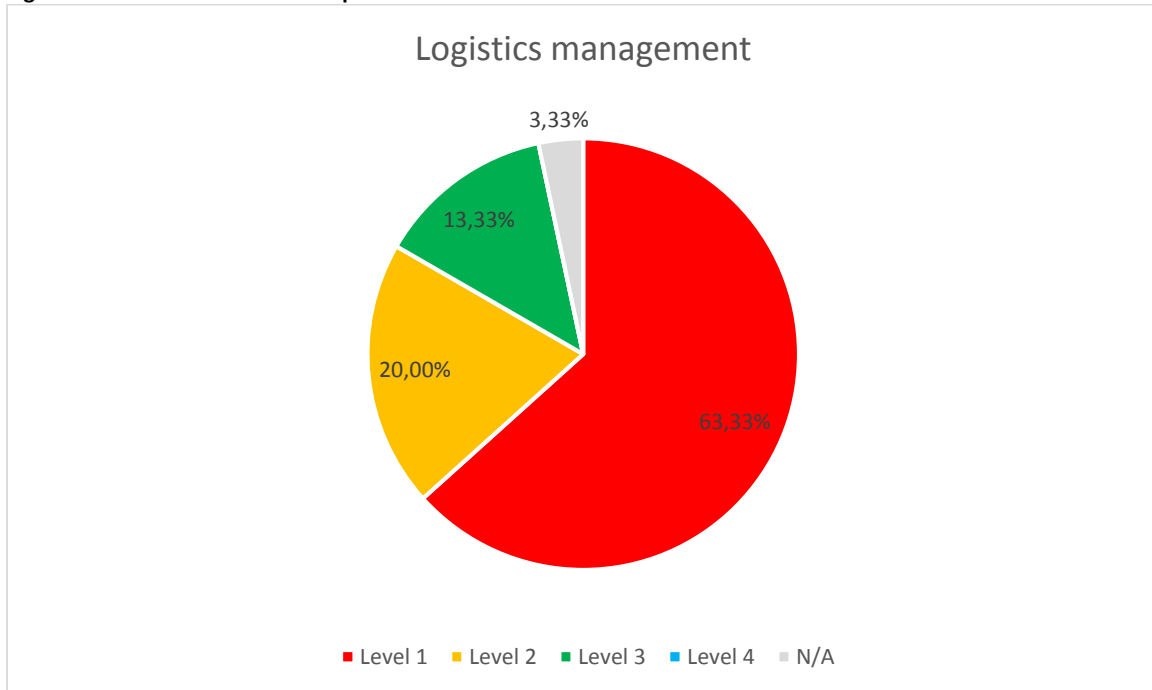


Figure 51 illustrate that:

- 63,3% of participating municipalities scored on level 1
- 20% of participating municipalities scored on level 2
- 13.33% of participating municipalities scored on level 3
- 3.33% of participating municipalities marked this as not applicable.

Standard 4.4.4: Disposal Management

Disposal management entails the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to section 14 of the MFMA. The purpose of this standard is to assess the extent to which municipalities adopt asset disposal techniques which are consistent with MFMA principles of efficiency, effectiveness and economy.

Given the above, the standard criteria focussed on determining if:

- the supply chain management policies' of municipalities address disposal management
- records of unserviceable, redundant or obsolete assets are maintained as part of the asset registers of municipalities
- financial, social and environmental factors are considered in the disposal process
- assets are disposed of obtaining best value

The result, per participating municipality is shown in table 52 below.

Figure 52: Results achieved per municipality in respect of standard 4.4.4

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlontlo	1
Senqu	3
Free State	
Kopanong	2
Moqhaka	2
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	2
Westonaria	2
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	2
Lephalale	2
Polokwane	2
Thabazimbi	3
Mpumalanga	
eMalahleni	2
Lekwa	2
Mkhondo	2
North West	
Bojanala	2
Dr Kenneth Kaunda	2
Dr Ruth S Mompoti	3
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	3
Matlosana	2
Moretele	2
Moses Kotane	1
Naledi	2
Ngaka Modiri Molema	2
Rustenburg	3

Criteria within standard 4.4.4 best performed against:

- Municipalities seem to note disposal management in their SCM policies, but might need to expand more on the details of this.
- Municipalities should also note the importance of having their SCM policies formalised by obtaining relevant approvals thereof.

Criteria within standard 4.4.4 showing poor levels of compliance:

- The keeping of records of unserviceable, redundant or obsolete assets is not a routine practice.
- Municipalities have no way of showing that the disposal of assets facilitates obtaining best value.

Overall recommendations in respect of standard 4.4.4:

- The keeping of records of unserviceable, redundant or obsolete assets should be institutionalised in municipalities as it is an important component of asset management.
- Municipalities should note that the disposal of assets should be done in a way that facilitates obtaining best value.

Municipalities generally performed better in this component of SCM with 4 municipalities achieving a level 3 score and only 6 performing at level 1.

Figure 53: Results achieved in respect of Standard 4.4.4

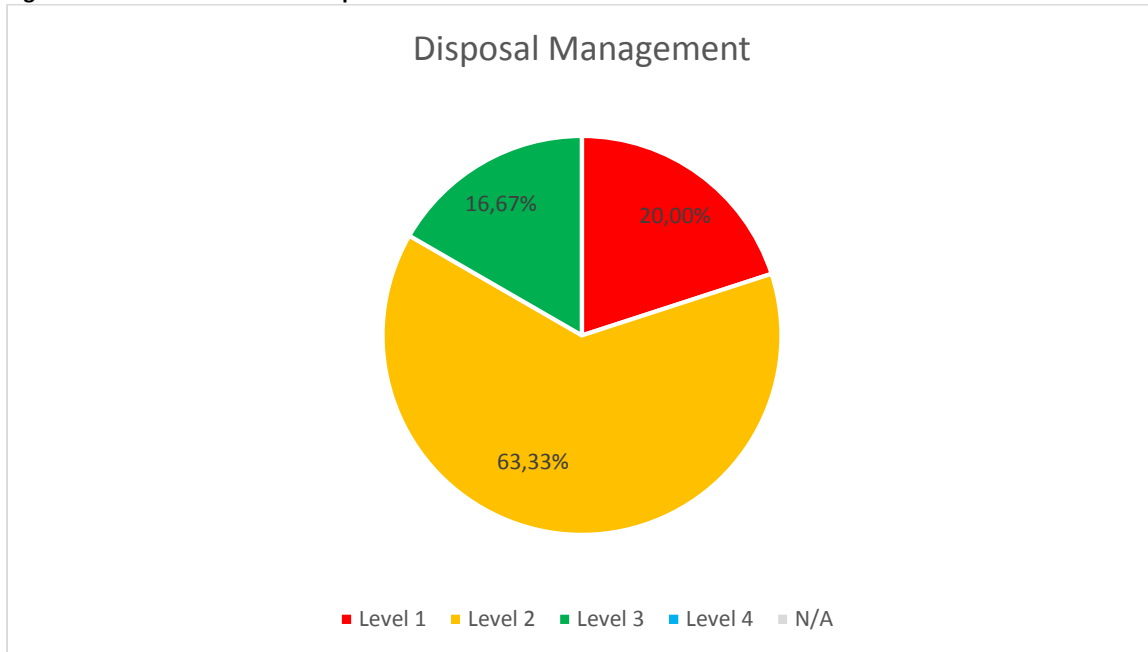


Figure 53 indicates that:

- 20.00% of participating municipalities scored on level 1
- 63.33% of participating municipalities scored on level 2
- 16.67% of participating municipalities scored on level 3

Standard 4.5: Financial delegations

A municipality must have an appropriate system of financial delegations in place as prescribed by the MFMA that will both maximise administrative and operational efficiency and provide adequate checks and balances within the municipal administration.

Effective delegations result in improved service delivery through more efficient decision making closer to the point where services are rendered. An appropriate system of delegations will ensure that the workload of an Accounting Officer (MM), managers reporting directly to the MM, and CFO and or BTO manager are better managed therefore enabling them to devote more attention to strategic issues.

Given the above, the standard criteria focussed on determining whether or not the municipalities have approved systems of financial delegations in place as prescribed by the MFMA that has been updated/reviewed since the last local government elections in 2011.

The result, per participating municipality is shown in table 54 below.

Figure 54: Results achieved per municipality in respect of standard 4.5

Eastern Cape	
Matatiele	4
Mbizana	1
Mhlontlo	1
Senqu	4
Free State	
Kopanong	3
Moqhaka	2
Setsoto	4
Tswelopele	2
Gauteng	
West Rand District	2
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	1
Polokwane	2
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	3
Mkhondo	1
North West	
Bojanala	3
Dr Kenneth Kaunda	3
Dr Ruth S Mompoti	3
Greater Taung	2
Lekwa-Teemane	2
Mahikeng	3
Matlosana	2
Moretele	2
Moses Kotane	2
Naledi	3
Ngaka Modiri Molema	2
Rustenburg	3

Criteria within standard 4.5 best performed against:

- Municipalities have system(s) of delegations in place as prescribed by the MFMA, but evidence that these have been reviewed and updated after the last local government elections was frequently lacking.

Criteria within standard 4.5 showing poor levels of compliance:

- Evidence that systems of delegations are being reviewed as prescribed in MFMA Circular 73 is lacking.

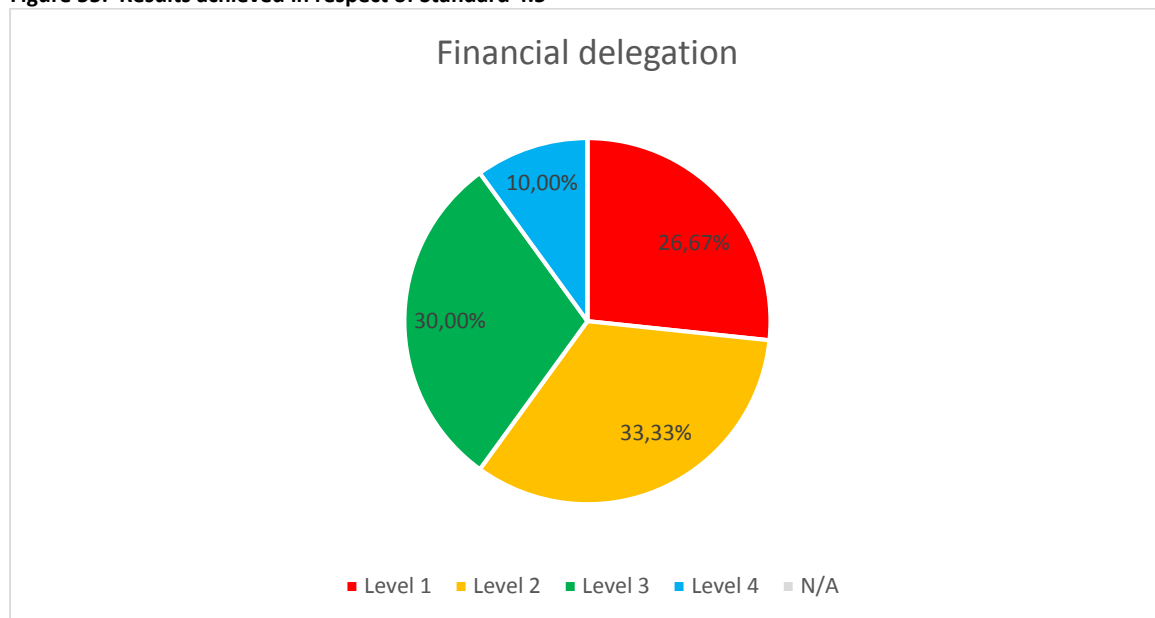
Overall recommendations relation to standard 4.5:

- Municipalities should keep in mind that after the upcoming 2016 Local Government elections - a review of the system of delegations should be done

Of the 30 municipalities, 12 scored at level 3 and higher indicating that 40% of participating municipalities are doing well in this standard. Municipalities excelling (at level 4) in this standard include Matatiele, Senqu and Setsoto demonstrating that they have systems in place to monitor the implementation and effectiveness of their system of financial delegations.

Generally municipalities that scored a level 2 or level 1 were not able to provide proof that their system of financial delegations was reviewed since the last local government elections in 2011. It thus seems as if the systems of delegations are relatively static documents and are not adjusted as often as recommended in Circular 73.

Figure 55: Results achieved in respect of Standard 4.5



As indicated by Figure 55 above, 26.67% of participating municipalities scored on level 1, 33.33% on level 2, 30.00 % scored on level 3 and 10.00% on level 4.

Standard 4.5 was one of the standards against which municipalities in general performed best against in the 2014/15 LGMIM assessments.

In general it was observed that administrative and operational delegations as well as the financial delegations i.t.o. of the MFMA are normally contained within the same document as they are normally reviewed and tabled for approval at the same time. The results indicated that that there is limited implementation of the principles of delegations as contained in MFMA Circular 73.

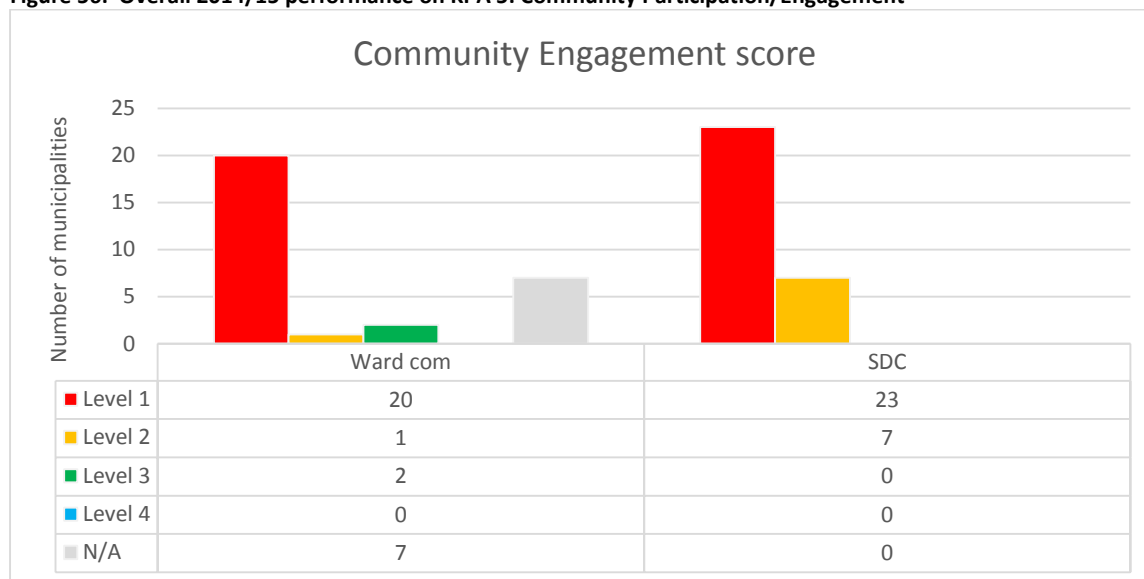
KPA 5: COMMUNITY ENGAGEMENT/PARTICIPATION

Turning formal participatory structures at the local government sphere from formulaic and ad-hoc engagements into dynamic mechanisms that elicit meaningful community engagement remains a challenge. It is thus a priority to ensure that mechanism for promoting participation, accountability and responsiveness are functioning effectively.

The community engagement/participation KPA is monitored through two standards:

- Functional ward committees
- Service delivery charter/service standards

Figure 56: Overall 2014/15 performance on KPA 5: Community Participation/Engagement



Only 2 of the participating municipalities have ward-level service plans as envisaged by the B2B campaign. Additionally the majority do not have approved service delivery charters (SDC) or a responsive complaints management system to respond to complaints, queries and concerns of citizens. This is reflective of general dissatisfaction amongst the public of the lack of meaningful community engagement by municipalities.

The results of each of the standards are discussed below.

Standard 5.1: Functional Ward Committees

A central tenet of the Back to Basics campaign is to improve responsiveness of the municipal council to the basic concerns of the citizens such as fixing potholes, non-functioning traffic lights, service interruptions, billing queries etc. Functional ward committees are essential in ensuring community engagements and participation in the development of ward level service improvement plans that respond to the priority needs of the citizens.

The Constitution provides that the first object of local government is to provide democratic and accountable government for local communities. Therefore, local government needs to have structures and systems in place to enhance participatory democracy.

Given the above, the standard criteria focus on determining if:

- all ward committees have been established and members have signed a code of conduct
- municipalities are providing support to its committees
- ward committees have developed ward level service improvement plans/ward operational plans and reports are submitted and tabled in council
- Registers of complaints, queries and request from the community are kept and attended to by ward committees

- Ward committees are conducting annual satisfaction surveys to assist the committees

It should be noted that as District municipalities don't have ward committees, the standard as a whole was marked as "N/A" and the affected municipalities were not assessed against the standard criteria. The result, per participating municipality is shown in table 56 below.

Figure 57: Results achieved per municipality in respect of standard 5.1

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	1
Moqhaka	1
Setsoto	1
Tswelopele	3
Gauteng	
West Rand District	N/A
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	N/A
Lephalale	3
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	1
Mkhondo	1
North West	
Bojanala	N/A
Dr Kenneth Kaunda	N/A
Dr Ruth S Mompoti	N/A
Greater Taung	N/A
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	N/A
Rustenburg	1

Criteria within standard 5.1 best performed against:

- Establishment of ward committees.
- There is however concern about the period of time it takes to establish all ward committees after a Local Government election and also on whether these ward committees remain functional or not.

Criteria within standard 5.1 showing poor levels of compliance:

- That all ward committee members have signed a code of conduct.
- Development of ward level service delivery plans as envisaged by the B2B campaign and adequate support for ward committee members to successfully execute their duties.

Overall recommendations in respect of standard 5.1:

- Municipalities are encouraged to keep record of the establishment of ward committees and to monitor the functionality of these.
- It is important for all ward committee members to sign the code of conduct as this serves as a guideline to the way in which the members should execute their duties. Signing of the code of conduct should thus become part of functionality criteria.
- Municipalities must ensure that it provides adequate support for committee members to successfully execute their duties.

Only two municipalities scored on level 3 – indicating full compliance with the criteria set in respect of standard 5.1.

Figure 58: Results achieved in respect of Standard 5.1

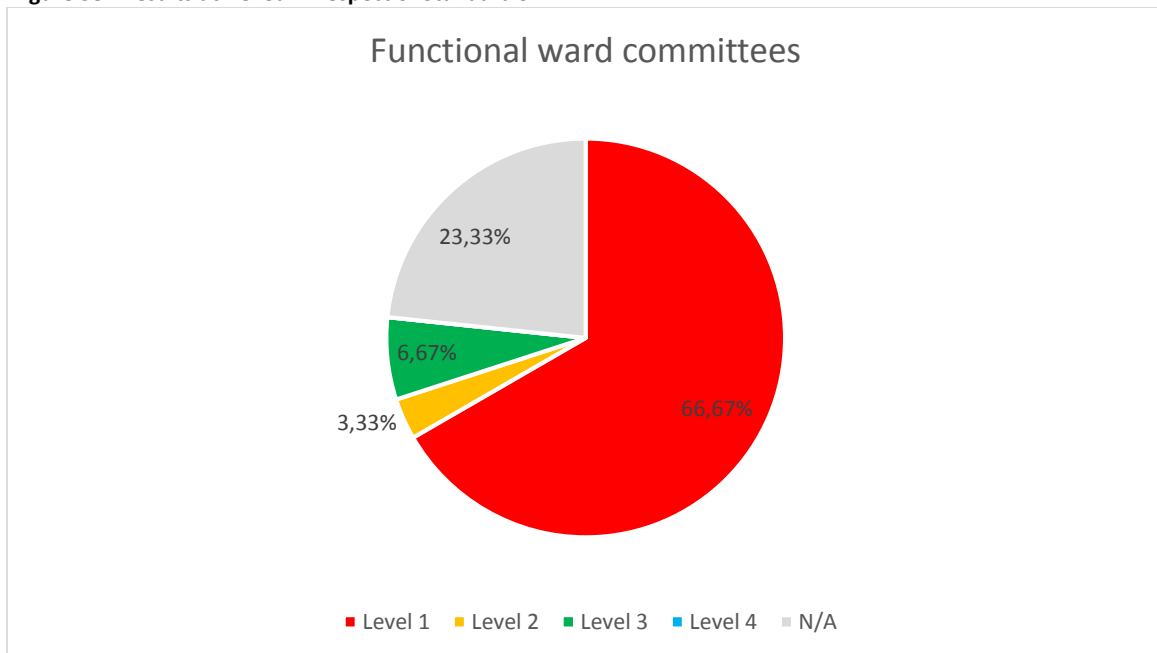


Figure 58 illustrates that:

- 66.67% of participating municipalities scored on level 1
- 3.33% of participating municipalities scored on level 2
- 6.67% of participating municipalities scored on level 3
- This standard was N/A to 23.33% of participating municipalities (mostly District Municipalities).

Standard 5.2: Service delivery charter/Service standards

The main purpose of a service delivery charter/ service standards is to express a commitment to service delivery by way of engaging customers on the levels or standards of service to expect and what to do if the promised level of service is not delivered.

A service delivery charter / service standards expresses a commitment to service delivery standards that will be maintained; the fair treatment of all end-users as customers is encouraged; customers' rights are protected; and relationships with customers are enhanced.

Given the above, the standard criteria focus on determining if municipalities have approved service delivery charter/standards in place (containing contact details of customer care centres) and, if these are displayed within the municipality and it's service centres. It further assess whether there is complaints management system in place that respond to customer complaints, queries, concerns and suggestions.

The result, per participating municipality is shown in table 58 below.

Figure 59: Results achieved per municipality in respect of standard 5.2

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlonlo	1
Senqu	2
Free State	
Kopanong	1
Moqhaka	1
Setsoto	2
Tswelopele	2
Gauteng	
West Rand District	2
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	1
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	2
Mkhondo	2
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	1
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	1

Criteria within standard 5.2 best performed against:

- 20% of municipalities had at least a draft service delivery charter/ service standards in place, but many of these were specifically related to water services only.

Criteria within standard 5.2 showing poor levels of compliance:

- Municipalities seem not to formally approve and display service charters/standards as required. There also seems to be challenges in putting in place effective complaints management systems.

Overall recommendations in respect of standard 5.2:

- Municipalities must ensure that service delivery charters/ service standards cover all services that municipalities provide and need to be formalised and displayed prominently.
- Municipalities must ensure that there are a complaints management systems in place and that such systems are responsive and facilitates adequate feedback.

None of the participating municipalities achieved a score of 3 or higher.

Figure 60: Results achieved in respect of Standard 5.2

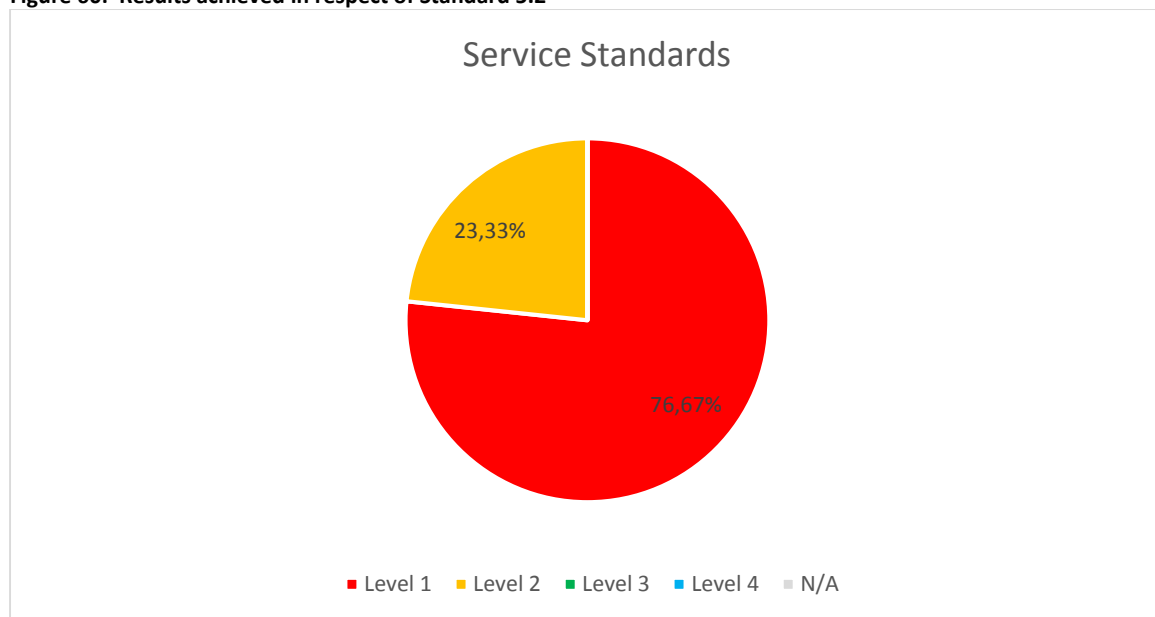


Figure 60 indicates that 76.67% of participating municipalities scored on level 1 and the remaining 23.33% scored on level 2.

Most municipalities scored on Level 1 as most municipalities seem not to formally approve and display service delivery charters/standards as required. There also seems to be challenges in putting in place effective complaints management systems. This is a cause for concern as having a complaints management system in place municipalities project a caring and responsive service delivery orientation. It also serves the purpose of facilitating the recording of issues, breakdowns and service stoppages in the municipal area, which can inform future planning in respect of mitigating such occurrences.

KPA 6: GOVERNANCE

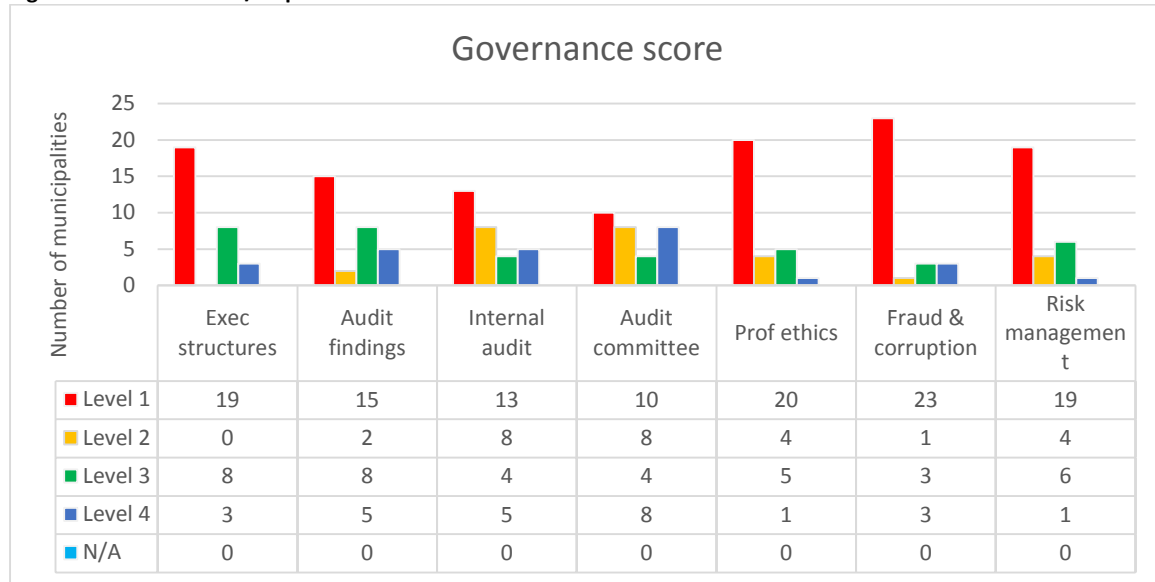
This KPA focuses on a select number of management practices that underpin good governance and promote accountability in public administration. These are enshrined in the South African Constitution with the injunction that high standards of professionalism, accountability, coherence, fairness and transparency must be promoted and maintained. Effective governance and accountability is vital to ensure that adequate checks and balances are encouraged to minimise mismanagement, corruption and improve efficiencies in delivery of services. This performance area promotes effective governance and accountability that enables political and administrative leadership in municipalities to respond effectively to the findings and recommendations of oversight committees.

The Governance KPA is monitored through six standards:

- Functionality of executive structures

- Assessment of responses to audit findings
- Assessment of Internal Audit
- Assessment of accountability mechanisms (Audit Committee)
- Assessment of policies and systems to ensure professional ethics
- Prevention of Fraud and Corruption

Figure 61: Overall 2014/15 performance on KPA 6: Governance



The assessment underscores that executive structures are ineffective and internal controls are weak. The encouraging fact is that the results were much better for the standards on response to audit findings and internal audit capacity. There is a positive correlation between municipalities with functioning audit committees and the audit findings. The 2013-14 audit outcomes for the 30 municipalities' shows that 17 had either a qualified or disclaimer and adverse audit opinion. This reinforces the scores in the response to audit findings standard which shows that 17 of the 30 municipalities have not prepared audit action plans as a management practice to respond to the matters in the Auditor General's management letter.

Notable exceptions are some municipalities in the Eastern Cape, (Senqu LM specifically which scored on level 4 against five of the seven standards making up KPA 6) in general participating municipalities fared poorly (achieved less than 33.3%) or has been assessed as requiring attention (achieved between 33.3% and 66.7%) in respect of KPA 6. Factors contributing to these results are discussed in detail below.

The findings for each of the 7 standards making up this KPA are discussed below.

Standard 6.1: Functionality of executive structures

This standard focuses on whether the municipality has functioning and effective executive structures in the form of formalised executive structures that make strategic decisions, and monitor the achievement of strategic objectives and decisions

Given the above, the standard criteria focus on establishing if:

- Municipal executive structures have formal / up to date terms of references (ToRs)
- Executive management meetings are scheduled and meetings are taking place as scheduled
- Meetings are announced and relevant documents are distributed timeously
- Executive decisions are clearly documented and oversight of implementation exercised.

Figure 62: Results achieved per municipality in respect of standard 6.1

Eastern Cape	
Matatiele	3
Mbizana	1
Mhlontlo	1
Senqu	4
Free State	
Kopanong	1
Moqhaka	1
Setsoto	4
Tswelopele	4
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	3
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	3
Mkhondo	1
North West	
Bojanala	3
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	1
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	3
Moretele	1
Moses Kotane	1
Naledi	3
Ngaka Modiri Molema	1
Rustenburg	3

Criteria within standard 6.1 best performed against:

- It seems that municipalities in general have various structures in place and that decision-making is done by means of passing resolutions during meetings.

Criteria within standard 6.1 showing poor levels of compliance:

- The availability of ToRs for the various executive structures was difficult to establish due to lack of evidence.

Overall recommendations in respect of standard 6.1:

- It seems that the formalisation of executive structures by means of putting in place formal, up-to-date ToRs that detail roles and responsibilities still needs to be institutionalised.
- Improved record keeping of all executive structure meetings is suggested.
- It is important to see that committees are provided the opportunity to table issues that requires escalation to Council. Committees should be given the opportunity during Council meetings to formally report on their activities.

Of the 30 municipalities, 11 performed well scoring at level 3 or 4. The municipalities that scored on level 1 were not able to provide proof that their executive structures have formal up to date ToR's in place.

Senqu, Setsoto and Tswelopele scored on level 4 and were able to provide evidence that a system of functioning standing committees was in place to ensure informed decision making and oversight of the operations of various directorates within the municipality.

Figure 63: Results achieved in respect of Standard 6.1

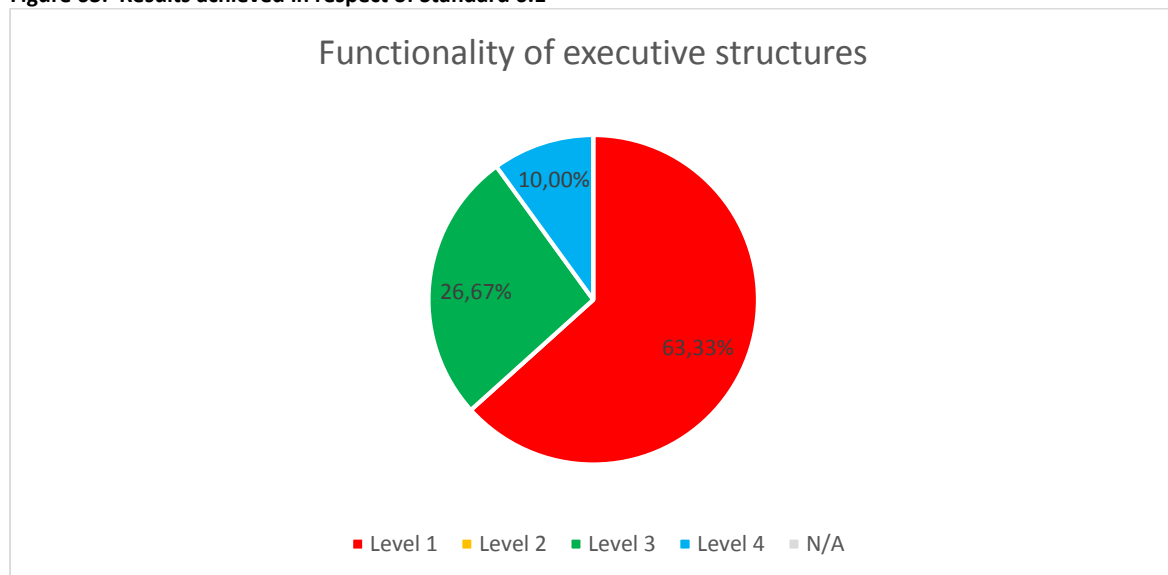


Figure 63 indicates that:

- 63.33% of participating municipalities scored on level 1
- 26,67% of participating municipalities scored on level 3
- 10.00% of participating municipalities scored on level 4

Standard 6.2: Responses to Audit Findings

Audit findings are addressed to promote good administrative practices and governance. Audit findings are based on an independent and extensive verification process of the annual financial statements, performance information and compliance to legislative requirements. Where audit outcomes are adverse, disclaimed or qualified, it indicates that fundamental principles of good governance, transparency and financial management are not being adhered to. Given this, the standard criteria focus on determining if:

- audit action plans have been prepared in response to the matters raised in the most recent Auditor General management letters,
- the said action plans have been agreed upon between management and the accounting officer and responsibility assigned to specific managers tied to specific timeframes
- audit steering committees meet regularly during the audit cycle

- progress against the audit action plan is monitored and verified by the Internal Audit units and reported upon to the Audit Committee.

The result, per participating municipality is shown in table 63 below.

Figure 64: Results achieved per municipality in respect of standard 6.2

Eastern Cape	
Matatiele	4
Mbizana	1
Mhlontlo	1
Senqu	4
Free State	
Kopanong	1
Moqhaka	1
Setsoto	4
Tswelopele	3
Gauteng	
West Rand District	4
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	3
Polokwane	3
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	1
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	3
Dr Ruth S Mompoti	3
Greater Taung	1
Lekwa-Teemane	3
Mahikeng	1
Matlosana	2
Moretele	1
Moses Kotane	1
Naledi	2
Ngaka Modiri Molema	3
Rustenburg	3

Criteria within standard 6.2 best performed against:

- In general it seems that municipalities do put in place action plans and report on progress in respect of the implementation thereof.

Criteria within standard 6.2 showing poor levels of compliance:

- It seems municipalities may need to improve on stipulating responsibilities and timeframes for the implementation of actions in their action plans.
- There seems to have been a reluctance to provide evidence of audit steering committee meeting minutes and therefore compliance to these criteria is reflected as being poor.

Overall recommendations in respect of standard 6.2:

- Effective audit steering committee can assist in reducing the number and significance of findings incorporated in the final audit opinion. It is thus important to have this committee meet on a regular basis during the audit cycle.
- Effective monitoring and reporting on the audit action plan should be used to further assist in improving audit outcomes over time.
- It is important to ensure that the Audit Committee is kept abreast of progress made in respect of the implementation of the audit action plan as this will enable the committee to give guidance and advice on how to ensure the effective implementation of the audit action plan.

Of the 30 municipalities, 13 achieved a score at level 3 or 4. Municipalities that scored on level 1 were not able to provide proof that their audit steering committees meet on a

regular basis during the audit cycle or that audit action plans have been prepared in response to matters raised in the management letter by the Auditor General.

Four municipalities, Matatiele, Senqu, Setsoto, and West Rand, scored on level 4. These municipalities were able to maintain good audit outcomes.

Figure 65: Results achieved in respect of Standard 6.2

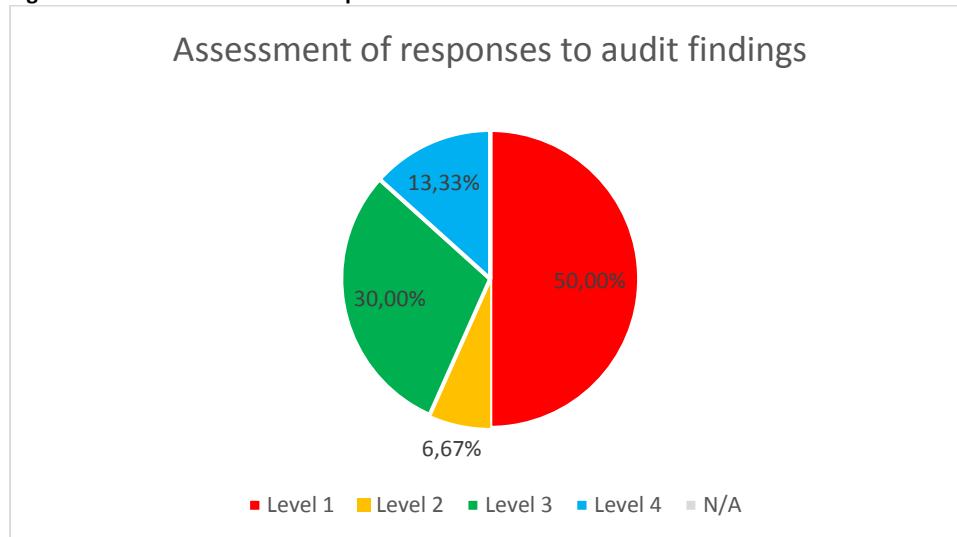


Figure 65 indicates that:

- 50.00% of participating municipalities scored on level 1
- 6.67% of participating municipalities scored on level 2
- 30.00% of participating municipalities scored on level 3
- 13,33% of participating municipalities scored on level 4

Standard 6.3: Assessment of Internal Audit

The intent of this standard is to determine if the municipality has an internal audit unit/capacity that meets the requirements of the Local Government Municipal Finance Management Act, (Act No 56 of 2003) and its regulations.

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It can therefore assist municipalities to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and corporate governance.

Given the above, the standard criteria focus on establishing if:

- Municipalities have internal audit units or capacity or shared units with suitably qualified and skilled staff
- Internal audit units have internal audit plans and programmes approved by the Audit Committee

- Internal audit units have approved internal audit charters in place
- Internal audit units report quarterly to the Audit Committee on the implementation of the Internal Audit plan/programme
- Internal Audit Units periodically conducts internal assessments i.t.o. International standards for the Professional practice of Internal Auditing (ISPPA) 1311

Figure 66: Results achieved per municipality in respect of standard 6.3

Eastern Cape	
Matatiele	1
Mbizana	2
Mhlontlo	1
Senqu	4
Free State	
Kopanong	3
Moqhaka	1
Setsoto	4
Tswelopele	3
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	3
Polokwane	2
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	2
Mkhondo	2
North West	
Bojanala	4
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	2
Greater Taung	2
Lekwa-Teemane	4
Mahikeng	1
Matlosana	2
Moretele	1
Moses Kotane	1
Naledi	4
Ngaka Modiri Molema	2
Rustenburg	3

Criteria within standard 6.3 best performed against:

- In general it seems that municipalities have internal audit capacity with the requisite skills set and experience.
- Some experience challenges in specifically obtaining a suitably qualified head for the unit.

Criteria within standard 6.3 showing poor levels of compliance:

- It seems that internal quality assurances are not sufficiently institutionalised as yet.

Overall recommendations in respect of standard 6.3:

- There should be an approved Internal Audit charter that outlines the mandate of internal audit and serves as the statement of purpose, authority and responsibility.
- In order to facilitate continuous improvement or maintain quality of work it is important for Internal Audit units to periodically conduct internal quality assurance reviews. Such reviews are aimed at testing compliance with International standards for the Professional practice of Internal Auditing (ISPPA) 1311.
- The findings of an internal quality assurance review should be translated into an improvement plan if required.

Of the 30 municipalities, 9 achieved a score of level 3 or 4. Five municipalities, Senqu, Setsoto, Bojanala DM, Lekwa Teemane and Naledi, scored on level 4. These municipalities were able to demonstrate that they have 3 year rolling internal audit plans approved by the Audit Committee that are risk- based and monitored on a quarterly basis. In addition, Senqu Local Municipality provided proof that their Internal Audit Unit underwent an external review in terms of ISPPIA 1312.

Figure 67: Results achieved in respect of Standard 6.3

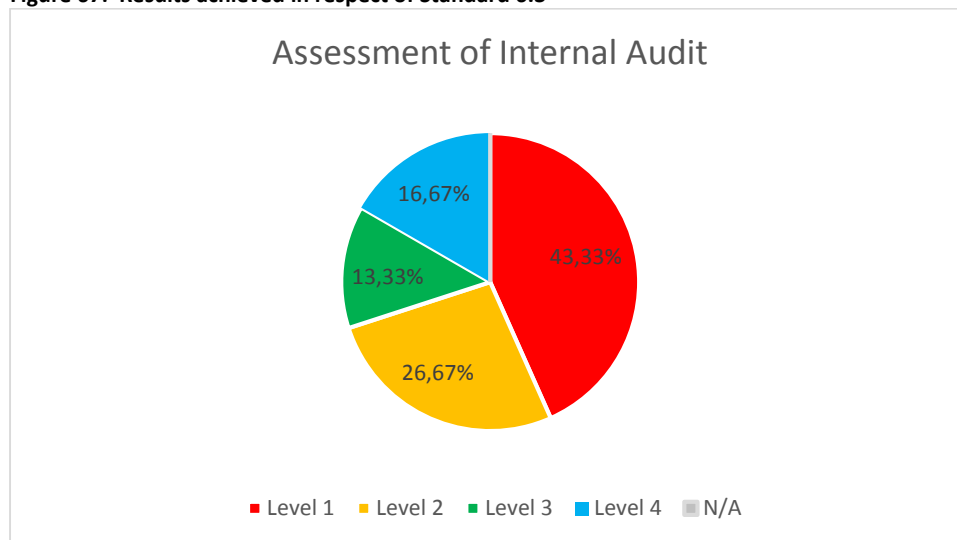


Figure 67 demonstrates that:

- 43.33% of participating municipalities scored on level 1
- 26.67% of participating municipalities scored on level 2
- 13,3% of participating municipalities scored on level 3
- 16.67% of participating municipalities scored on level 4

Municipalities that scored on level 1 were not able to provide sufficient evidence that they have internal audit units/capacity or shared internal audit unit in place with suitably qualified and skilled staff.

Standard 6.4: Assessment of Audit Committee

The intent of this standard is to determine if the municipality has a properly constituted Audit Committee - or shared Audit Committee – which is an independent advisory body that carries out the functions listed in terms of Section 166 (2) and (3) of the Local Government Municipal Finance Management Act and its regulations. Such a committee provides assurance on a continuous basis with regard to whether or not set goals and objectives are achieved in a regular, effective and economical manner. In view this, the standard criteria focus on determining if:

- Municipalities have appropriately constituted audit committees or shared services in place

- Audit committees have approved Audit Committee Charters in place that are reviewed annually
- Audit committees meet as scheduled and report back to Council on at least a quarterly basis on its operations
- The audit committee annual report were incorporated into municipal annual reports

Figure 68: Results achieved per municipality in respect of standard 6.4

Eastern Cape	
Matatiele	4
Mbizana	2
Mhlontlo	2
Senqu	4
Free State	
Kopanong	3
Moqhaka	1
Setsoto	4
Tswelopele	3
Gauteng	
West Rand District	4
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	4
Polokwane	2
Thabazimbi	1
Mpumalanga	
eMalahleni	2
Lekwa	3
Mkhondo	2
North West	
Bojanala	1
Dr Kenneth Kaunda	4
Dr Ruth S Mompoti	4
Greater Taung	2
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	2
Moses Kotane	1
Naledi	4
Ngaka Modiri Molema	2
Rustenburg	3

Criteria within standard 6.4 best performed against:

- Municipalities seemed to have institutionalised the appointment of audit committees that adheres to requirements.

Criteria within standard 6.4 showing poor levels of compliance:

- It seems that the annual formalisation of audit committee charters still needs to be institutionalised.
- Record keeping of reports to council need to be improved.

Overall recommendations in respect of standard 6.4:

- It is important for an Audit Committee to have an approved charter that is used as a basis for preparing the Audit Committee's annual work plan; setting the agenda for meetings; making recommendations to the accounting officer and Council; and performing performance audit responsibilities if assigned.
- Municipalities should note the requirement for the chairperson of the audit committee to report to council at least quarterly. Record keeping of this process may require improvement.

Of the 30 municipalities, 12 achieved a score of level 3 or 4. Eight municipalities, Matatiele, Senqu, Setsoto, West Rand DM, Lephalale, Dr Kenneth Kaunda, Dr Ruth S Mompoti and Naledi, scored on level 4.

These municipalities provided evidence that their audit committees conducted self-assessments on their performance and achievements against the audit charters of the previous financial year. In addition Senqu, West Rand DM and Dr Kenneth Kaunda in turn were able to demonstrate that their audit committees obtain feedback on performance from stakeholders such as the municipal council, senior management, Office of the Auditor General and internal audit function.

Figure 69: Results achieved in respect of Standard 6.4

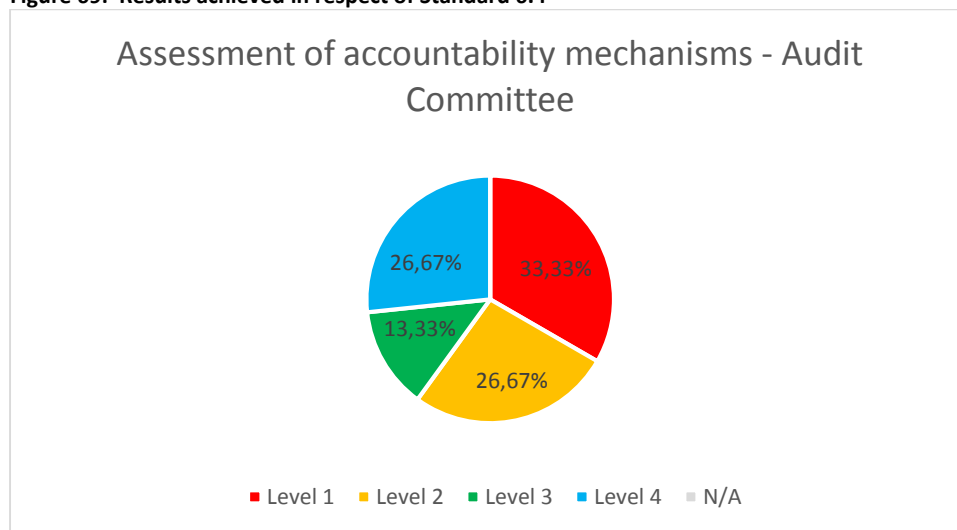


Figure 69 demonstrates that:

- 33.33% of participating municipalities scored on level 1
- 26.67% of participating municipalities scored on level 2
- 13.33% of participating municipalities scored on level 3
- 26.67% of participating municipalities scored on level 4

Standard 6.5: Policies and systems to ensure professional ethics

The intent with this standard is to determine if the municipality has systems and policies in place to promote ethics and discourage unethical behaviour and corruption. The Code of Conduct for municipal staff members (Schedule 2 of the MSA No 32 of 2000) and the Code of Conduct for Councillors (Schedule 1 of the MSA No 32 of 2000), including traditional leaders identified by the MEC in terms of S81(2)(a) of the Municipal Structures Act, require municipal officials, councillors and such traditional leaders to respectively act in the best interest of the public, be honest when dealing with public money, never abuse their authority, and not use their position to obtain gifts or benefits or accepting bribes. The disclosure of interests aims to prevent and detect conflicts of interest where they occur.

In view of the above, the standard criteria focus on determining if:

- Municipalities have mechanisms in place to provide or communicate the Codes of Conduct to employees and councillors and provides training on the understanding and interpretation thereof
- All councillors, Municipal Managers and Section 56 managers complete and update their financial disclosures at least annually
- Councils are monitoring the completion of declarations of interest by affected parties.

Figure 70: Results achieved per municipality in respect of standard 6.5

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	4
Free State	
Kopanong	3
Moqhaka	1
Setsoto	3
Tswelopele	3
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	2
Sekhukhune	1
Lephalale	2
Polokwane	1
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	1
Mkhondo	2
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	1
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	3
Ngaka Modiri Molema	1
Rustenburg	2

Criteria within standard 6.5 best performed against:

- In general municipalities did not perform well against any specific standard criteria.

Criteria within standard 6.5 showing poor levels of compliance:

- There seems to be a need for all practices that promote professional ethics to be enhanced.

Overall recommendations in respect of standard 6.5:

- Municipalities need to emphasise the importance of ethical behaviour by relevant parties by reinforcing internalisation of the various codes of conduct and updating of declarations of interest as required.
- It is important that municipalities institutionalise monitoring and control mechanisms geared at detecting and discouraging unethical behaviour and corruption.

Of the 30 municipalities, 6 achieved a score of level 3 or 4. One municipality, Senqu, scored on level 4. The municipality demonstrated that it analyses the financial disclosures submitted in order to identify potential conflicts of interest and takes action to address these.

Figure 71: Results achieved in respect of Standard 6.5

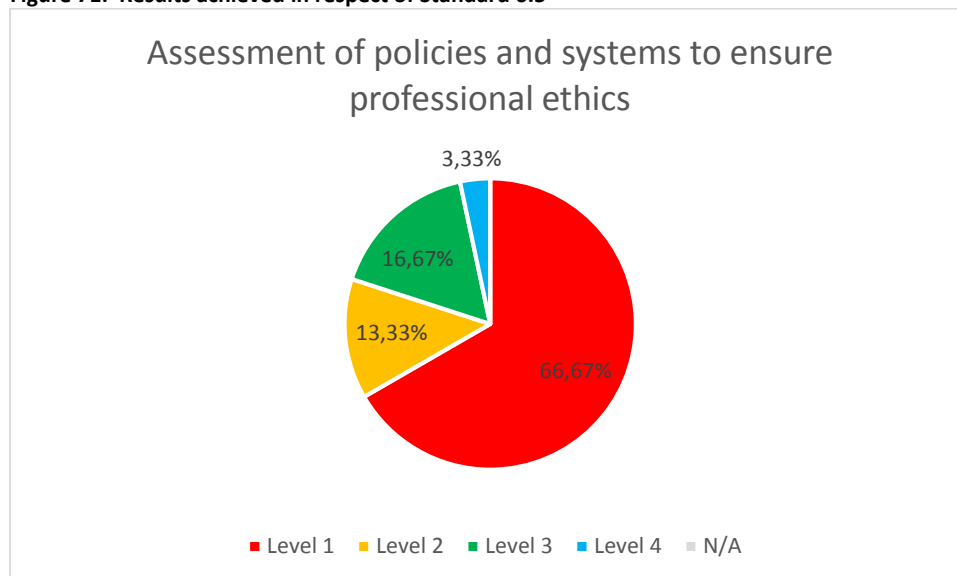


Figure 71 shows that:

- 66.67% of participating municipalities scored on level 1
- 13.33% of participating municipalities scored on level 2
- 16.67% of participating municipalities scored on level 3
- 3.33% of participating municipalities scored on level 4

The municipalities that scored on level 1 were unable to provide evidence that they provide or communicate the Codes of Conduct to employees and Councillors and whether even 75% of Councillors, Municipal Managers and Section 56 Managers completed or updated their financial disclosures annually.

Standard 6.6: Prevention of Fraud and Corruption

The intent in this standard is to determine if the municipality has measures and the requisite capacity in place to prevent and combat fraud and corruption. Combating corruption will improve service delivery, as well as ensure the responsible and efficient use of public resources.

Given the above, the standard criteria focus on determining whether or not municipalities have approved fraud prevention and anti-corruption plans and whistle blowing policies in place, if the requisite capacity exists to implement and monitor the implementation of said plans. The result, per participating municipality is shown in table 71 below.

Figure 72: Results achieved per municipality in respect of standard 6.6

Eastern Cape	
Matatiele	1
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	2
Moqhaka	1
Setsoto	1
Tswelopele	3
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	4
Polokwane	4
Thabazimbi	1
Mpumalanga	
eMalahleni	1
Lekwa	3
Mkhondo	1
North West	
Bojanala	1
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	3
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	1
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	4

Criteria within standard 6.6 best performed against:

- Although municipalities have fraud prevention and anti-corruption plans in place these are not always formalised and do not always address all prescribed requirements.

Criteria within standard 6.6 showing poor levels of compliance:

- Municipalities need to ensure that they put whistleblowing policies in place.
- There seems to be a significant lack of capacity to implement and monitor fraud prevention and anti-corruption (including whistleblowing) plans.

Overall recommendations in respect of standard 6.6:

- Municipalities should ensure that their fraud prevention and anti -corruption, as well as their whistleblowing policies are formalised by obtaining approvals thereof.
- Plans should then also address all prescribed components.
- Municipalities need to designate capacity to implement and monitor these policies and plans.

Of the 30 municipalities, 6 achieved a score of level 3 or 4. Three municipalities, Lephalale, Polokwane and Rustenburg scored on level 4. These municipalities met the all the criteria and additionally demonstrated that disciplinary action is taken and/or criminal procedures and/or civil procedures are instituted where fraud and corruption occurred.

Figure 73: Results achieved in respect of Standard 6.6

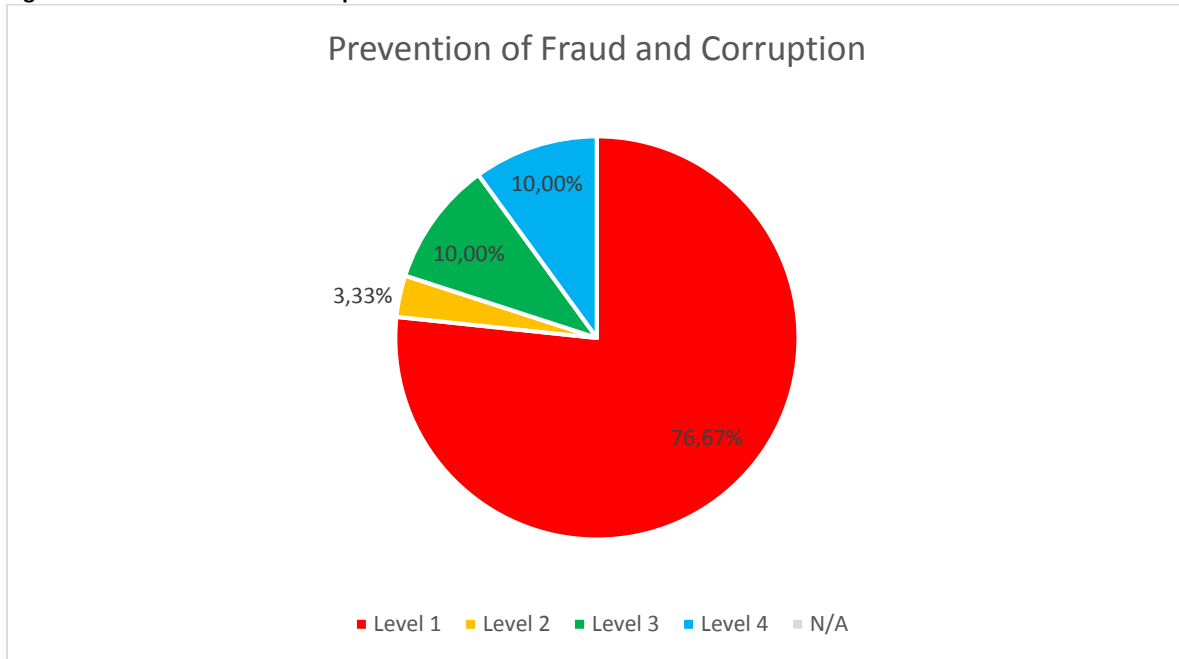


Figure 73 indicates that 76.67% of participating municipalities scored on level 1, 3.33% on level 2, 10.00% on level 3 and 10.00% on level 4.

Standard 6.7: Functional risk management unit/committee

The intent of this standard is to determine if the municipality has established functional risk management structures and has requisite capacity in place to monitor and manage risk.

Unwanted outcomes or potential threats to efficient service delivery are minimised or opportunities are created through a systematic and formalised process that enables the municipality to identify, assess, manage and monitor risks. Proper assessment of risk can help the municipality mitigate and sometimes even overcome risks that may constrain the achievement of its goals and objectives.

Given the above the standard criteria focussed on determining if:

- Municipalities have dedicated risk management functions/capacity for the risk management function
- Risk assessments or reviews of the risk register occurred based upon new or emerging risks
- Municipalities have approved risk management implementation plans that are approved by the Accounting Officer
- Risk management structures monitors and regularly interacts with the Audit committee on the implementation of the risk management plan

Figure 74: Results achieved per municipality in respect of standard 6.7

Eastern Cape	
Matatiele	2
Mbizana	1
Mhlontlo	1
Senqu	1
Free State	
Kopanong	3
Moqhaka	1
Setsoto	3
Tswelopele	3
Gauteng	
West Rand District	1
Westonaria	1
Limpopo	
Ba-Phalaborwa	1
Sekhukhune	1
Lephalale	3
Polokwane	4
Thabazimbi	1
Mpumalanga	
eMalahleni	3
Lekwa	3
Mkhondo	1
North West	
Bojanala	2
Dr Kenneth Kaunda	1
Dr Ruth S Mompoti	1
Greater Taung	1
Lekwa-Teemane	1
Mahikeng	1
Matlosana	1
Moretele	2
Moses Kotane	1
Naledi	1
Ngaka Modiri Molema	1
Rustenburg	2

Criteria within standard 6.7 best performed against:

- Although municipalities do regular risk assessments it seems that translating these risks into a risk management plan and/or having capacity to implement and monitor these plans is a problem and requires attention.

Criteria within standard 6.7 showing poor levels of compliance:

- Formalisation of risk management plans is the criteria against which municipalities performed the worst.

Overall recommendations in respect of standard 6.7 :

- Municipalities should ensure that their risk management policies, strategies and plans are formalised by obtaining the necessary approvals thereof.
- Municipalities need to designate capacity to implement, monitor and report upon the implementation of these policies and plans.

Of the 30 municipalities, 6 achieved a score of level 3 or 4. One municipality, Polokwane scored on level 4 by providing evidence that key decisions are informed by a full assessment of associated risks.

The municipalities that scored on level 1 were unable to provide evidence that they have dedicated risk management capacity in place or risk management policy that is in a draft form.

Figure 75: Results achieved in respect of Standard 6.7

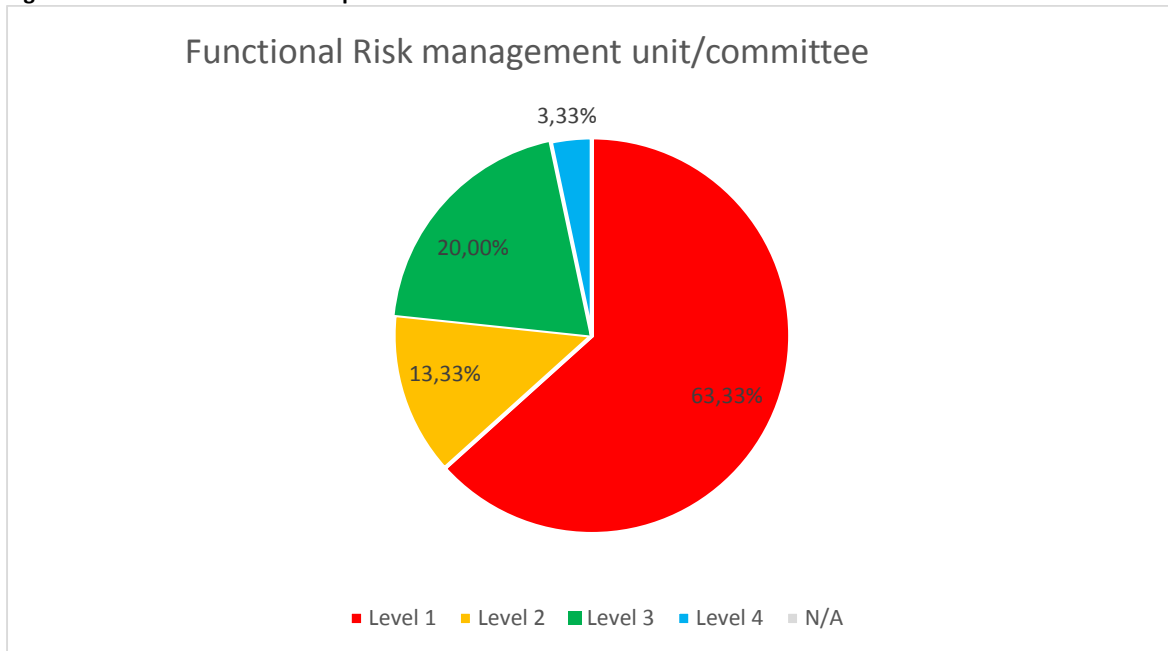


Figure 75 indicates that:

- 63,3% of participating municipalities scored on level 1
- 13.33% of participating municipalities scored on level 2
- 20.00% of participating municipalities scored on level 3
- 3,33% of participating municipalities scored on level 4

Given that risk management creates an opportunity through a systematic and formalised process to identify, assess, manage and monitor risks in order to minimise unwanted outcomes or potential threats to efficient service delivery it is a cause for concern that 63.33% of municipalities either don't have approved risk management strategies or policies in place or do not have dedicated capacity to implement and monitor risk management activities and processes.

Overall comment on the municipal results

It is acknowledged that municipalities may have achieved the low scores that they did as a result of one or a combination of the following:

- that participating municipalities were not always thorough during self-assessments and verification phases;

- Not all evidence indicated as available in the verified assessment was uploaded onto the LGMIM site for moderators to consider.
- Scores awarded in the technical assessment were not always contextualised by utilising the comments column (this makes internal verification and moderation challenging).
- Not all evidence provided a clear indication of whether or not a criterion has been met i.e. no date or signature on documents to indicate the status of approval.
- Naming of documents/evidence was at times unclear
- Evidence in certain instances was not saved under the appropriate folder on the LGMIM site, making the accessing and evaluation of document more difficult for moderators.

Based on the results as outlined above there is also an indication that a number of municipalities still face challenges with regards to adhering to certain pertinent legal, regulatory and best management prescripts governing the Local Government sphere. It is thus important that National and Provincial governments ensure that municipalities are offered targeted support in areas where it is evident that there are performance gaps.

SECTION 3: FEEDBACK AND IMPROVEMENT PLANNING

Feedback

All provinces and municipalities that participated in the 2014/15 cohort were given feedback on the results of the LGMIM. Municipalities were encouraged to interrogate their scores and determine if they would request a review to the moderated scores. As mentioned previously only 8 of the municipalities took up that opportunity and submitted evidence within the set timeframes and their scores were reviewed and amended accordingly.

Improvement Planning

Having completed the key phases of the LGMIM cycle from self-assessments through to moderation, and feedback, the last phase of the cycle becomes important. Phase 5 of the LGMIM phase relates to improvement planning. This phase requires municipalities to use the final results of the LGMIM to conduct an in-depth analysis to determine the root causes for the underperformance in a particular standard, the actions to address the root causes, the person responsible for implementing the action and the time-frame for the completion of the action.

Subsequent to the feedback session's municipalities were afforded an opportunity to indicate if they will utilise the results of the LGMIM to cause notable change in the

municipality's performance and whether they will require support to conduct an improvement planning exercise. At the time of writing this report, only municipalities such as Rustenburg LM, Lekwa LM and Dr Ruth S Mopati DM requested engagements to this effect. The requested engagements were held for Rustenburg LM, Lekwa LM and Dr Ruth S Mopati DM and the senior management of the municipalities were in attendance. The engagements resulted in the successful development of Improvement Action Plans for the municipalities. The said plans will be monitored by the Provincial B2B support teams and progress against the plans would be reported to DPME on a quarterly basis.

Given the assessment above, it is important that the Provincial DCoGs moves speedily towards supporting the municipalities' to develop improvement plans. Once developed, the implementation of the improvement plan will also have to be tightly monitored and reported against.

Section 4: Limitations, Challenges and Improvements

It should be noted that assessment of performance against some standards were in several cases affected by the non-submission of evidence due to a range of reasons, some of which were technical, whilst others could have related to level of commitment, competing priorities and/or willingness to share certain information which could have been considered confidential. Care should therefore be taken not to use the scores as an absolute measure of the performance of municipalities. In any event, moderated scores were never intended to be a report card nor an end in itself. On the contrary the moderated assessment is meant to serve as a basis for a focused conversation with the municipal leadership about the state of management practices, to correct discrepancies in the assessment with a view to getting an accurate picture of what the situation is in respect of each KPA and to get on with planning improvements.

The above highlights the importance of the self-assessment process being conducted rigorously and that all required evidence be made available and uploaded into the correct folders. A lack of rigour at this stage will impact on the accuracy of the entire process.

Following from the above the following will need to be considered in future for the LGMIM:

- Undertake the selection of municipalities jointly with the provinces and ensure that municipalities understand fully what is required of them when they agree to participate.
- Heightening the profile of the initiative in participating municipalities to ensure that the MM's office and suitably placed senior managers are allocated to champion and coordinate the initiative internally.

- DPME will have to play a more hands-on role in providing technical support and guidance to municipalities during the self-assessment phase, whilst involving the province in this process to create a learning environment for municipalities and provincial departments alike
- Ensuring that in future provincial departments are knowledgeable about the time, effort and resources required to implement the initiative to allow for proper resource allocation in their APPs

DPME is also implementing a more comprehensive quality assurance process going forward to mitigate the above-mentioned issues. The DPME will also encourage municipalities to engage with the moderated scores more robustly as soon as they receive them. This is to allow them to lodge applications to review scores within the given timeframes.

Section 5: Conclusion

The 2014/15 roll out of the LGMIM is considered the first proper implementation of the steps (self-assessment through to feedback and improvement) of the LGMIM following the testing during the 2013/14 pilot phase. All indications are that the LGMIM can serve as a powerful management information tool for the municipal leadership to reflect on how the municipality approaches its tasks in key management areas with a view to shaping management and administrative practices to deliver quality services.

Good managers and leaders value organisational assessments and diagnostics as a source of valuable insights into the health of their organisations. For the full benefit and potential of LGMIM to be realised, municipalities must be willing to utilise the results of the LGMIM as critical management information and develop improvement action plans and strategies in the areas where performance gaps were observed. Provincial DCoGs for their part will have to step up their involvement and support municipalities in this regard.