



THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PLANNING, MONITORING AND EVALUATION

# Local Government Management Improvement Model (LGMIM)

Implementation Guide

2014\_15

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## List of Acronyms

AG	Auditor General
DCoG	Department of Co-operative Governance
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
IDP	Integrated Development Plan
KPA	Key Performance Area
LGMIM	Local Government and Management Improvement Model
MFMA	Municipal Finance Management Act
MINMEC	Ministers and Members of Executive Council
MM	Municipal Manager
MPAT	Management Performance Assessment Tool
MSA	Municipal Systems Act
MuSSA	Municipal Strategic Self-Assessment
NDP	National Development Plan
NPC	National Planning Commission
NT	National Treasury
PALAMA	Public Administration Leadership and Management Academy
SACN	South African Cities Network
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
WSA	Water Services Authority

# 1. Introduction

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## 1.1 Background

The quality of management practices is key to improving performance, productivity and service delivery within the public sector. The diagnostic report of the National Planning Commission (NPC) listed 9 primary challenges in the development of the country – including that public services are uneven and often of poor quality. The National Development Plan (NDP) outlines 6 interlinked priorities to address these challenges including building a capable and developmental state to enable the state to play a developmental and transformative role. The NDP acknowledges that a capable state has to be built, sustained and rejuvenated over time – it requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate oversight systems and consistent and fair application of the rules.

The NDP chapter on a Capable and Developmental State envisioned that by 2030 we 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, co-ordination and alignment 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.

It is within the spirit of building a capable state through adopting longer term strategies that the Department of Planning, Monitoring and Evaluation (DPME) in collaboration with the Department of Public Service and Administration (DPSA), National Treasury (NT), Office of the Auditor General (AG), Department of Cooperative Governance (DCoG), Public Administration Leadership and Management Academy (PALAMA) and Offices of the Premiers (OTP) launched the MPAT (Management Performance Assessment Tool) in October 2011 in support of achieving Outcome 12 "An Efficient, Effective and Developmental Orientated Public Service". Provincial and National Departments have to date gone through 3 self-assessments cycles of

the MPAT. MPAT aims to assess compliance and the quality of management practices within national and provincial departments.

Building on the success of MPAT the DPME in collaboration with the DCoG, South African Cities Network (SACN), South African Local Government Association (SALGA), and the Provincial Departments responsible for Local Government decided to develop the Local Government Management Improvement Model (LGMIM). The LGMIM is based on a proactive approach *in support of achieving Outcome 9 “Responsive, accountable, effective and efficient developmental local government system)* by identifying and resolving institutional problems, thereby ensuring that municipalities meet the minimum floor of norms and standards of good institutional performance.

## 1.2 About the LGMIM Guide

**The purpose of the Guide is:**

- to provide practical support to municipalities and Provincial Departments of Co-operative Governance with the implementation of the LGMIM; and
- to ensure consistency in the application of LGMIM across the local government sphere.

**Who should use the Guide?**

This LGMIM is intended for use by municipalities and Provincial Departments of Co-operative Governance.

The main users of the Guide are:

- LGMIM co-ordinators within municipalities;
- Key Performance Area (KPA) Managers at Municipal level;
- Municipal internal audit and monitoring and evaluation units;
- LGMIM Facilitators from DPME;
- Provincial Departments of Co-operative Governance; and
- LGMIM Moderators.

It is important that Municipal Managers (MMs) and senior managers within municipalities have a good understanding of the LGMIM and they are encouraged to use the Guide as a reference. The guidelines are intended to provide comprehensive, step by step processes to guide users on how to implement the LGMIM.

**Structure of the Guide**

The LGMIM Guide is structured into the following sections:

Section	Description
Section 1: Introduction	The aim of this section is to introduce the LGMIM Guide. It briefly outlines the following:

Section	Description
	<ul style="list-style-type: none"> <li>• Background to the LGMIM</li> <li>• Purpose of the Guide</li> <li>• Who should use the Guide</li> </ul>
Section 2: Overview of the LGMIM	The section provides an overview of LGMIM. The aim is to introduce the concept and ensure that users have a good understanding of the rationale for LGMIM
Section 3: Regulatory and institutional Framework	This section gives a brief overview of the mandate and institutional framework for LGMIM and briefly outlines the roles and responsibilities of the various role players
Section 4: Key features of LGMIM	<p>This section outlines the key features of the LGMIM:</p> <ul style="list-style-type: none"> <li>• Standards of management practice</li> <li>• Levels of management performance</li> <li>• Self-assessment</li> <li>• Secondary data</li> <li>• LGMIM Scorecard</li> </ul>
Section 5: Implementing LGMIM	This section sets out the main phases and steps in implementing LGMIM for the 2014/15 round of pilot assessments
Section 6: LGMIM Standards for 2014/15	This section sets out the LGMIM Standards, Evidence and Moderation Criteria that will be used in the 2014/15 assessments

## 2. Overview of the LGMIM

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### 2.1 What is LGMIM?

LGMIM is a model or technique 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 by the relevant transversal departments (e.g. National Treasury for financial management and Department of Water and Sanitation for water services). The model looks at the municipality from various different angles at the same time, thus adopting a holistic approach to institutional performance analysis. LGMIM does not duplicate existing monitoring by sector departments or duplicate the auditing done by the Auditor General. Nor is it a reporting tool. Instead the LGMIM provides an analytical framework for municipal leadership to reflect on what the organisation does and how it approaches its tasks to improve the quality of service delivery and productivity. It also draws on secondary data from various departments and oversight bodies to jointly arrive at an accurate and fair reflection of management practices and workplace capabilities with the municipal leadership in a municipality.

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

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

### 2.2 How does LGMIM relate to service delivery

In view of the fact that it is generally accepted that the public sector exists to create greater public value it implies that the responsibility of the public sector is to:

- Identify and respond to the needs of citizens;
- Increase the quantity and quality of activities per resource expended;
- Reduce the costs used to achieve the current levels of service; and
- Increasing capacity to innovate and improve.

The above is dependent on the quality of management and administrative practices determining how we plan, how we manage staff, finances, and infrastructure, how we govern ourselves and how we account for our performance. These actions in turn have a significance influence on the quality of outputs produced, outcomes achieved, and the impacts the services provided have on society. Ample evidence exists to show that the quality of

management practices has a measurable impact on quality of services. Therefore to improve the performance of a municipality, it is essential that the management and administrative practices are assessed and strengthened, where required. Good management practice is a precondition for effective and sustainable service delivery.

## **2.3 Why was LGMIM developed?**

A number of factors have contributed to the introduction of the LGMIM:

- The Constitution obliges national and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions;
- There are a number of municipalities that have consistently underperformed in delivering services to citizens. This runs counter to Government's unequivocal commitment to delivery. The challenge for transversal departments and Offices of the Premier is how to support municipalities to raise their level of performance. LGMIM enables municipalities through the assessments to determine and direct the kind of support they require thereby setting the basis for targeted and co-ordinated support where needed;
- The assessments used in designing support interventions for poorly performing municipalities show that poor management and administrative practices are prevalent in these municipalities. Yet, little or no attention has been paid in the past to assessing the quality of the management and administrative practices. The results of the LGMIM assessments will provide information to the senior management of a municipality to assess the health of the operating environment and effect improvements;
- Political oversight structures such as the Local Government MINMEC (Ministers and Members of Executive Council), the Ministerial Implementation Forum for Outcome 9 on local government and the President's Co-ordinating Council (PCC) do not have at their disposal critical and integrated municipal level information on management practices;
- To date no integrated minimum floor of norms and standards of performance for efficient and effective functioning of local government (administratively, politically and in terms of service delivery) exist. There is thus a need for a consistent and integrated set of key performance data on municipalities that bring together various pieces of information to form an integrated and holistic picture/snapshot of the municipality so as to facilitate well-co-ordinated, targeted and differentiated support as well as intervention measures;
- To gear national and provincial departments to better support in identified areas of underperformance; and
- To set a monitoring framework that can be used to track the progress made by municipalities to improve their management and administrative practices facilitating an improvement in the quality of service delivery.
- Ultimately, the reason for LGMIM is that management matters. Local and international studies have shown clear linkages between the quality of management



and the performance of organisations in terms of productivity and quality of services rendered.

## **2.4 What are the objectives of the LGMIM?**

The objectives of the LGMIM are 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 measures by national and provincial departments;
- Provide a management tool for the municipal leadership – to reflect on ways of working and shaping management and administrative practices to deliver quality services;
- Collate performance information on municipalities against 29 Management Performance Standards to establish the baseline performance of municipalities; and
- Establish a knowledge management and performance monitoring system that provide an integrated and holistic picture/snapshot of the performance of the municipality enabling strategic leadership and policy reform;

## **2.5 What is the scope of LGMIM?**

- LGMIM focusses on the management and administrative practices in 6 Key Performance Areas, namely:
  - Integrated Planning and Implementation
  - Service delivery
  - Human Resource Management
  - Financial Management
  - Community Engagement
  - Governance
- LGMIM focusses on the management and administrative practices of the municipality as an organisation. It does not focus on the performance of individuals – it is thus not an individual performance management and development system. Nor does it measure municipal performance information on an output level.
- LGMIM will be assessing the management and administrative practices, based on existing legal, regulatory and prescribed best practise requirements applicable to the Local Government Sphere. It does not introduce any new or additional requirements beyond what already exists.

## 2.6 What are the principles underpinning the LGMIM?

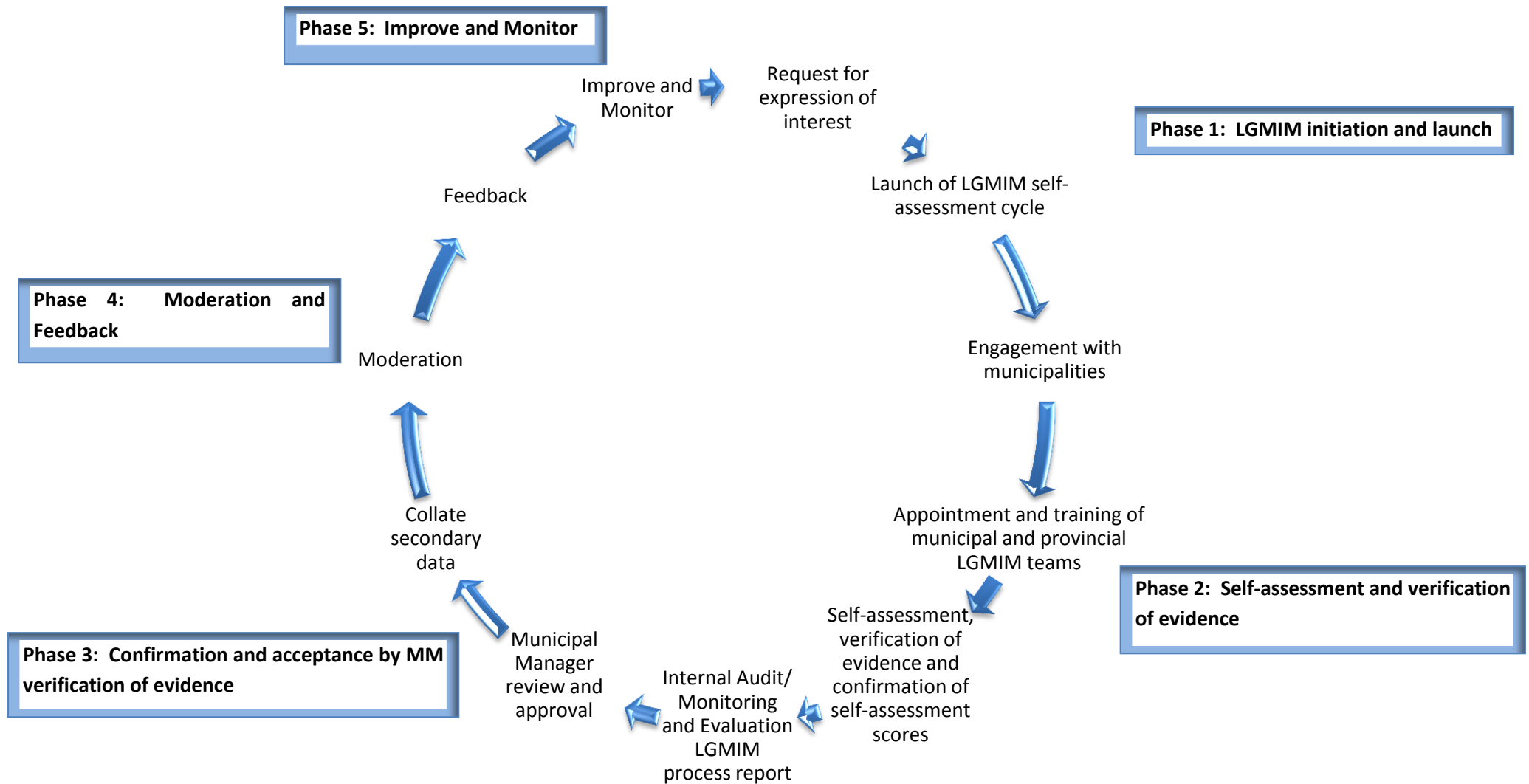
The following principles underpin LGMIM:

<b>LGMIM Principle</b>	<b>What does it mean?</b>
Ongoing learning and improvement	The overall focus of implementing LGMIM is to encourage a culture of learning and continuous improvement in municipalities. This entails that municipalities should receive feedback as a point of learning instead of it being seen as a punitive measure. It will also be communicated to municipalities that are performing very well that they have a responsibility to maintain high levels of performance whilst coaching or sharing good practice with other struggling municipalities.
Ownership of assessment process, results and improvements	The success of LGMIM depends to a large extent, on ownership of the assessment process, results and improvements by municipalities. The leadership provided by the Municipal Manager and the Senior Management team within the municipality is essential if the municipality is to benefit from LGMIM.
Simple process and tools	Keeping the assessment process and model simple enhances the prospect of successful application of the LGMIM.
Evidence-based approach	The model and process should be sufficiently detailed to accurately assess management practices. LGMIM places emphasis on the evidence provided in support of performance ratings.
Assessment beyond compliance	LGMIM's approach to assessment goes beyond compliance with legal, regulatory and prescribed best practise requirements. The approach requires municipalities to also be efficient and effective in their application of management practices, that is, work "smartly" and/or innovatively.
Using existing legal, regulatory and prescribed best practise requirements	LGMIM is based on existing legal, regulatory and prescribed best practise requirements within the Local Government Sphere and uses the standards and indicators in existing frameworks, where these standards and indicators exist. LGMIM is therefore not introducing new management practise requirements.
Continuous improvement of LGMIM	DPME will improve LGMIM, based on lessons learned and feedback from municipalities, Provincial Departments of Co-operative Governance and National sector Departments. It is important to have continuity in the assessment and so dramatic changes to the content of LGMIM is not envisaged.. DPME and transversal departments will raise the bar once the majority of municipalities have reached an acceptable level of performance on particular management practices.

## What are the phases in the LGMIM process?

There are various steps in the LGMIM process that can be divided into 5 broad phases:

Section 5 of the Guide describes these phases in more detail.



## Summary of the key points about LGMIM

1. LGMIM assesses compliance and quality of management practices of municipalities.
2. LGMIM serves two important purposes, namely, learning or improvement, and accountability.
3. LGMIM provides a holistic or integrated snapshot of the state of management practices within municipalities.
  - The information can be used by the management of the municipality to improve performance.
  - The information can be used by transversal departments to provide targeted support.
4. LGMIM does not include assessments of policy and programme results. These are done through other mechanisms.
5. LGMIM does not include an assessment of actual deliverables against planned deliverables. These are the focus of the Auditor General's performance audits. LGMIM is not a performance audit.
6. LGMIM does not duplicate existing legal, regulatory and prescribed best practices. It draws on these together into a single coherent framework.
7. LGMIM does not include an assessment of the performance of individual officials.

## 3. Regulatory and institutional frame-work for LGMIM

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### 3.1 Mandate

With the advent of democracy in 1994, South Africa shifted from a highly centralised system under apartheid to a decentralised system constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. Although distinctive the Constitution of the Republic enjoins all spheres to cooperate with one another in mutual trust and good faith to secure the well-being of all citizens. Within this framework of cooperative governance, the Constitution obliges national and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions [Section 154(1)] of the Constitution.

The National Development Plan (NDP) envisages that by 2030 South Africa will be a state that is capable of playing a developmental and transformative role. In broad terms such a state intervenes to support and guide development in such a way that benefits accrue across society, with particular emphasis on the poor. Drawing from the NDP chapter on a Capable and Developmental State, by 2030 we will have a developmental state that is accountable, focused on citizen's priorities, and capable of delivering high-quality services consistently and sustainably through cooperative governance and participatory democracy.

As per **Sub-Outcome 3: Sound financial and administrative management of the 2014-19 Medium Term Strategic Framework (MTSF)** the quality of the operating environment and municipal administrative and management practices is directly correlated with the quality of service delivery and improved productivity. A proactive approach to identifying and resolving institutional problems is key to ensuring municipalities meet the minimum level of norms and standards of good institutional performance. The availability of collective data on municipal governance is key to inform smarter and more effective municipal support and intervention to improve financial and administrative management. To this end the LGMIM is coined as the development and implementation of a model and tool appropriate for measuring, monitoring and supporting improved management in municipalities. Therefore the MTSF calls for the development of an in-depth understanding of the operating environment and quality of management practices of municipalities using the Local Government Management Improvement, amongst others.

### 3.2 Key legislation, regulations and prescribed best practise requirements

LGMIM draws on the existing regulatory framework. Section 6 of the Guideline outlines per Management Performance Standard the existing legal, regulatory and prescribed best practise requirements used in LGMIM

### 3.3 Roles and responsibilities

The success of LGMIM requires role players to understand their roles and carry out their responsibilities diligently.

#### Municipal level

<b>Executive Authorities</b>
<ul style="list-style-type: none"> <li>• Ensure that their respective municipalities participate in the LGMIM</li> <li>• Use the score cards to monitor management performance</li> </ul>
<b>Municipal Manager</b>
<ul style="list-style-type: none"> <li>• Ensure that the self-assessment is completed in accordance with DPME procedures</li> <li>• Convenes the senior management deliberations on LGMIM</li> <li>• Signs off/confirm on completed self-assessment</li> <li>• Sign off/confirm an application for moderated scores to be reconsidered, should they be able to provide sufficient evidence to substantiate such an application.</li> <li>• Ensures that the municipality takes actions (e.g. oversee the drafting and approval of an improvement plan) to improve management and administrative practices</li> </ul>
<b>Departmental Managers fulfils the role of KPA Managers</b>
<ul style="list-style-type: none"> <li>• Ensuring completion of the LGMIM self-assessment for their designated Key Performance Area</li> <li>• Submit evidence for areas of self-assessment that fall within their responsibility and ensure that evidence is valid and reliable</li> <li>• Liaises with Internal Audit and or Monitoring and Evaluation Unit on queries with regard to evidence and draft scores</li> <li>• Develop improvement strategies if required that will be incorporated into the improvement plan</li> </ul>
<b>Municipal LGMIM Co-ordinators</b>
<ul style="list-style-type: none"> <li>• The Municipal LGMIM Co-ordinator is the focal point of contact with DPME and relevant Provincial Department of Co-operative Governance</li> <li>• Municipal LGMIM Co-ordinator guides the self-assessment process i.to. the adopted process plan</li> <li>• LGMIM Co-ordinator collates the information received from the departmental KPA managers, quality checks the information and makes it available to the Internal Audit and or the Monitoring and Evaluation Unit for verification</li> <li>• Liaises with Internal Audit or the Monitoring and Evaluation unit on confirmation of evidence uploaded in support of self-assessment scores.</li> </ul>

<b>Internal Audit and or Monitoring and Evaluation Unit</b>
<ul style="list-style-type: none"> <li>• Verification of evidence uploaded onto the LGMIM site by municipality with self-assessment</li> </ul>
<ul style="list-style-type: none"> <li>• Provide technical guidance on the validity of evidence during self-assessment, if required</li> </ul>
<ul style="list-style-type: none"> <li>• Prepares brief report on process followed in self-assessment</li> </ul>

### **Co-ordination of LGMIM in national and provincial spheres**

<b>Department of Performance Monitoring and Evaluation (DPME)</b>
<ul style="list-style-type: none"> <li>• Overall co-ordination of LGMIM</li> </ul>
<ul style="list-style-type: none"> <li>• Raises awareness and understanding of LGMIM</li> </ul>
<ul style="list-style-type: none"> <li>• Issue national guidelines for the application of LGMIM</li> </ul>
<ul style="list-style-type: none"> <li>• Supports Provincial Departments of Co-operative Governance in their provincial co-ordination role</li> </ul>
<ul style="list-style-type: none"> <li>• Collates secondary data from national sector departments to be used in moderation</li> </ul>
<ul style="list-style-type: none"> <li>• Oversee the external moderation process for municipalities with the assistance of Provincial Departments of Co-operative Governance</li> </ul>
<ul style="list-style-type: none"> <li>• Provides scorecards with moderated scores to Provincial Departments of Co-operative Governance and municipalities</li> </ul>
<ul style="list-style-type: none"> <li>• Submits a report to the Outcome 9 Implementation Forum on the outcomes of LGMIM</li> </ul>
<ul style="list-style-type: none"> <li>• Updates and refines LGMIM standards, as required</li> </ul>
<b>Provincial Departments of Co-operative Governance</b>
<ul style="list-style-type: none"> <li>• Overall co-ordination of LGMIM in the province</li> </ul>
<ul style="list-style-type: none"> <li>• Raises awareness and understanding of LGMIM in the province</li> </ul>
<ul style="list-style-type: none"> <li>• Manage the enrolment process of municipalities on an annual basis including the development and confirmation of process plans per municipality.</li> </ul>
<ul style="list-style-type: none"> <li>• Trains LGMIM co-ordinators with the assistance of DPME, if requested</li> </ul>
<ul style="list-style-type: none"> <li>• Provides provincial specific guidance to municipalities</li> </ul>
<ul style="list-style-type: none"> <li>• Facilitate LGMIM self-assessments at municipalities: <ul style="list-style-type: none"> <li>– Provide technical support and guidance to municipal LGMIM co-ordinators and KPA managers during the completion of the self-assessment</li> <li>– Assist LGMIM co-ordinator/ Internal Audit or Monitoring and Evaluation Unit to quality check information and verify scores submitted by the KPA managers on request</li> <li>– On request of the LGMIM co-ordinator serve as external facilitators during the Senior Management discussion of the self-assessment scores</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Monitors completion of municipal self-assessments in the province</li> </ul>
<ul style="list-style-type: none"> <li>• Collates secondary data from provincial sector departments to be used in moderation</li> </ul>

<ul style="list-style-type: none"> <li>• Manages the external moderation process for municipalities in the province <ul style="list-style-type: none"> <li>– Assist with the establishment of provincial moderation panels</li> <li>– In collaboration with DPME lead moderation team during the moderation process</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• On request, meet with municipalities to discuss their LGMIM results.</li> </ul>
<ul style="list-style-type: none"> <li>• Assist with final moderation of the moderated scores if Municipalities lodge an application for their moderated scores to be reconsidered, should they be able to provide sufficient evidence to substantiate such an application.</li> </ul>
<ul style="list-style-type: none"> <li>• Gives feedback to DPME on areas for improving LGMIM</li> </ul>
<ul style="list-style-type: none"> <li>• Submits a report to the Provincial Executive and Legislature on the outcome of the municipal assessments</li> </ul>
<ul style="list-style-type: none"> <li>• Supports municipalities to develop improvement plans/strategies</li> </ul>
<ul style="list-style-type: none"> <li>• Monitors implementation of improvement plans</li> </ul>
<b>Transversal Departments</b>
<ul style="list-style-type: none"> <li>• Provide secondary data to DPME and Provincial Departments of Co-operative Governance</li> </ul>
<ul style="list-style-type: none"> <li>• Work with DPME in refining and updating their respective standards in LGMIM</li> </ul>
<ul style="list-style-type: none"> <li>• Lead the moderation process for KPAs that fall within their competency or mandate</li> </ul>
<ul style="list-style-type: none"> <li>• Develop intervention and support strategies to address common weaknesses in management practices</li> </ul>



## 4. Key features of LGMIM

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### 4.1 Standards of management practice

As discussed in section 2.1 LGMIM covers the following Key Performance Areas:

- Integrated Planning and Implementation
- Service delivery
- Human Resource Management
- Financial Management
- Community Engagement
- Governance

The six KPAs are broken down into management performance standards. Each KPA has at least one standard against which performance is assessed.

Getting to full compliance with legal, regulatory and prescribed best practise requirements is important, but LGMIM seeks to go beyond compliance to assess if municipalities are working smartly and or innovatively.

### 4.2 Levels of Management Performance

LGMIM identifies four progressive levels of management performance. Each management performance standard is assessed and scored against these four levels of performance. This gives each municipality an indication of how it performs in each of the 29 management performance standards, each KPA, and as a whole (its overall management practices). 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 or those in terms of which good performance were recorded. It also assists transversal departments to target the support they can provide to municipalities. The table below shows the levels of management performance used in the LGMIM.

Level	Description
Level 1	Municipality is non-compliant with legal, regulatory and prescribed best practice requirements
Level 2	Municipality is partially compliant with legal, regulatory and prescribed best practice requirements
Level 3	Municipality is fully compliant with legal, regulatory and prescribed best practice requirements
Level 4	Municipality is fully compliant with legal, regulatory and prescribed best practice requirements and doing things smartly/innovatively

A municipality that scores at Level 1 or Level 2 for a management performance standard is not fully compliant with the legal, regulatory and prescribed best practise requirements and there is room for improvement before a level 3 score, indicating full compliance can be achieved.

When a municipality scores a level 4 in respect of a performance standard it means that it is fully compliant and operating smartly and or innovatively in respect of that management performance standard. It is, however important to note that Level 4 does not provide an exhaustive list of the management practices considered as being demonstrative of operating smartly or innovatively. It thus leaves room for municipalities to list other management practices that in their opinion should be taken into account to arrive at a Level 4 score in respect of each of the management performance standards. To score at Level 4 the municipality has to verify that it is compliant with all the requirements of Level 3 and is actively implementing one of the management practices under Level 4, either already specified by LGMIM or added by the municipality for consideration by both its internal audit and or Monitoring and Evaluation units and the external moderators.

Level 3, complying fully with legal, regulatory and prescribed best practices is essentially an indication that a municipality has effective management practices in place. All municipalities should thus aspire to operate at Level 3.

## **4.3 Self-assessment**

### **Value of self-assessment**

Each municipality is required to complete a self-assessment of its management practices in the six Key Performance Areas. The purpose of the self-assessment is to assess the current level of management practice of the municipality and to pinpoint areas that are in need of improvement.

The self-assessment is an important aspect of the LGMIM process as it gives the municipality's leadership the opportunity to honestly reflect on the internal workings of the organisation. Experiences with similar self-assessment methodologies of management practices have demonstrated that it can also have the following additional benefits:

- The active engagement of senior management in the self-assessment process motivates people to identify areas of improvement and to take specific actions to address them;
- Leads to the identification of gaps in knowledge and understanding of management policies and prescripts that can be addressed through training in the application of these policies and prescripts.

The details of the self-assessment are described in Section 5 of the Guide.

### **LGMIM assessment tool**

The LGMIM assessment tool is Excel based. It works on the principle that the relevant KPA manager within the municipality clicks on the criteria per standard specified under Levels 1 to 4 to verify whether or not it is being implemented within the municipality. Similarly it also requires the relevant KPA manager to verify that he/she can prove compliance through uploading the required evidence onto the DPME, LGMIM site (document repository). DPME in collaboration with the Provincial Departments of Co-operative Governance will provide guidance to LGMIM co-ordinators and KPA managers on how to use the LGMIM assessment tool and deposit documents onto the document repository (LGMIM site).

***Please note that separate guides on how to use the LGMIM assessment tool and LGMIM Portal site are available.***

**Key points to note are:**

- Each of the six Key Performance Areas of LGMIM has at least one management performance standard against which the municipality assesses its performance.
- Each level of the standard (with the exception of Level 4) shows a comprehensive list of evidence that the municipality must have in order to justify its rating.
- To score at Level 4 the municipality has to verify that it is compliant with all the requirements of Level 3 and is actively implementing one of the management practices under Level 4, either already specified by LGMIM or added by the municipality for consideration by both its internal audit and or Monitoring and Evaluation units and the external moderators.
- Each level of the standard sets out the criteria that will be used by the moderators when reviewing the municipality's self-assessments.
- The municipality does not submit hard copies of documents to DPME. All evidence is uploaded onto the DPME document repository (LGMIM site).

## An example of an LGMIM Standard

<b>2.</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.3</b>	<b>Performance Standard name:</b> Moderated performance against Municipal Strategic Self-Assessment (MuSSA)
<p><b>Performance Standard definition:</b> The MuSSA assesses the business health/vulnerability of the WSA to fulfil its functions. It determines vulnerability against 16 functional areas. It is a benchmarking process through which trends can be monitored and areas requiring corrective action can be identified and addressed.</p> <p><b>Importance of the Standard:</b> The MuSSA generates strategic flags that a municipality can use for identifying vulnerabilities and prioritising key remedial actions that should be undertaken to ensure effective water services delivery</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Municipal Strategic Self-Assessment reports (MuSSA) – for the past 3 years (DWS)</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Water Services Act (Act 103 of 1997)</li> <li>• Strategic Framework for Water Services (2003)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The WSA <b>does not</b> conduct the MuSSA on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level
<ul style="list-style-type: none"> <li>• The WSA conducts the MuSSA on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>• MuSSA Spider diagrams for past two years</li> </ul>	Moderators to verify that: <ul style="list-style-type: none"> <li>• The WSA conducts the MuSSA on an annual basis</li> </ul>	Level
<p><b>Level 2 plus:</b></p> <ul style="list-style-type: none"> <li>• The WSA has developed an action plan to address vulnerabilities identified through the MuSSA</li> <li>• The action plan addressing vulnerabilities is incorporated into municipal planning instruments - i.e. WSDP / Municipal Priority Action Planning (MPAP) processes / corporate management plans, etc.</li> </ul>	<p><b>Level 2 plus:</b></p> <ul style="list-style-type: none"> <li>• Action plan to address vulnerabilities</li> <li>• Proof of incorporation of action plan to address vulnerabilities into planning instruments</li> </ul>	<p><b>Level 2 plus:</b></p> Moderators to verify that: <ul style="list-style-type: none"> <li>• The WSA developed an action plan to address vulnerabilities identified through the MuSSA</li> <li>• The WSA is implementing the action plan by incorporating it into its planning instruments</li> </ul>	Level
<p><b>Level 3 plus:</b></p> <ul style="list-style-type: none"> <li>• The WSA is demonstrating continuous improvement and/or is continuously performing well in the MuSSA</li> </ul>	<p><b>Level 3 plus:</b></p> <ul style="list-style-type: none"> <li>• MuSSA spider diagrams for past 3 years</li> </ul>	<p><b>Level 3 plus:</b></p> Moderators to verify that: <ul style="list-style-type: none"> <li>• The WSA is demonstrating continuous improvement and/or is continuously performing well in the MuSSA</li> </ul>	Level

### **LGMIM self-assessment process**

- For the 2014 self-assessments, there must be a senior management discussion of the LGMIM scores before they are submitted to the Municipal Manager for confirmation and acceptance.
- This discussion may be facilitated by the Provincial Department of Co-operative Governance if requested by the Municipality. If requested these external facilitators steer the process and provide guidance on the technical aspects of LGMIM. They do not participate in the discussion of the scoring.
- Internal Audit and or Monitoring and Evaluation officials should attend the senior management discussions as observers and provide technical advice, if required.

### **Role of Internal Audit and or Monitoring and Evaluation Unit**

- Internal Audit and or Monitoring and Evaluation Unit play an important role in the municipal self-assessment process:
  - It has to verify the existence of the evidence for the particular level at which the municipality has assessed itself. Its role is simply to verify the existence of the evidence.
  - If internal audit and or the Monitoring and Evaluation Unit disagree with the self-assessment scores of the municipality, Internal Audit and or the Monitoring and Evaluation Unit can discuss the issue with the relevant KPA Managers and request additional evidence to support the score.
  - Internal Audit and or the Monitoring and Evaluation Unit are not responsible for collecting evidence. The collection and uploading of evidence is the responsibility of the KPA Managers.
  - Internal Audit and or the Monitoring and Evaluation Unit prepare a brief report on how LGMIM was implemented in the Municipality.

### **Moderation of self-assessment**

- The self-assessments will be moderated by an external panel of moderators.
- DPME and the Provincial Departments of Co-operative Governance will select the moderators from the Public Service. These moderators must at least be at middle management level and have 3 to 5 years of relevant experience in the subject matter being moderated.
- Officials from transversal or policy departments will form part of the moderation panels.
- Moderators will use the moderation criteria to moderate the scores and will rely on the evidence submitted by the municipalities as well as secondary information from transversal departments and oversight bodies during the moderation process.

## **4.4 Secondary Data**

LGMIM will draw on secondary data to use when moderating the self-assessments of municipalities. The secondary data will be drawn from existing data systems of transversal departments (both provincial and national) and reports from oversight bodies.

## 4.5 LGMIM Scorecard

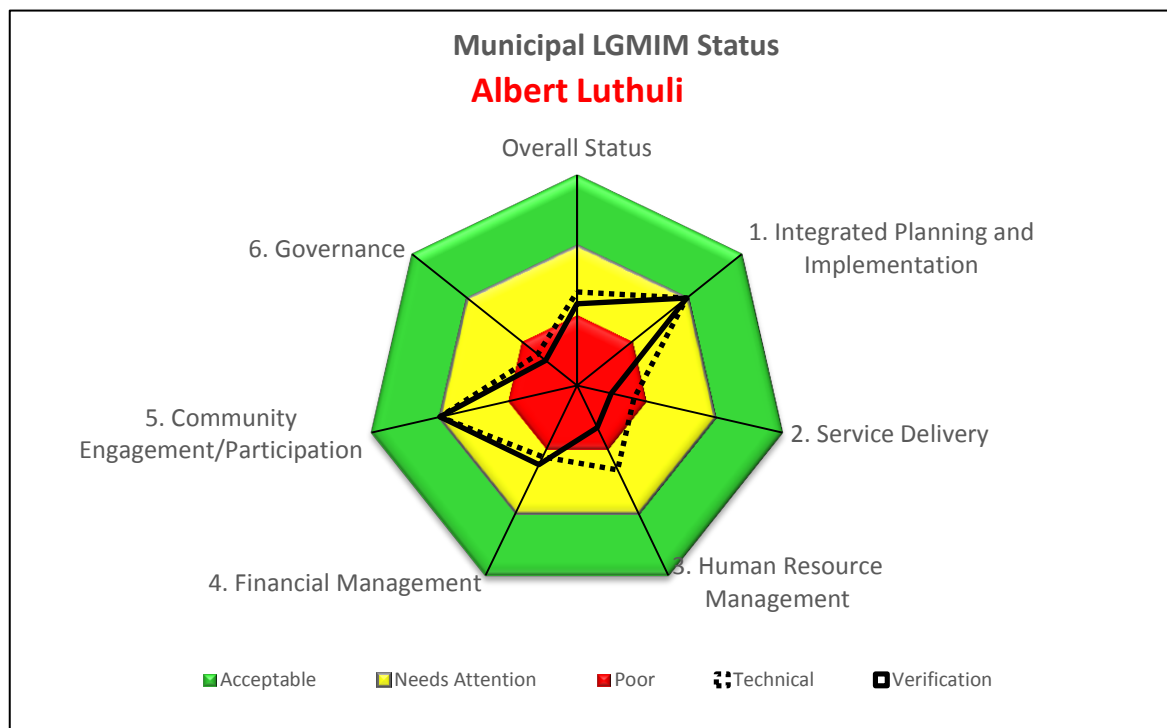
*Aggregate score of municipality and per Key Performance Area*

<b>Key</b>
<b>Red - Poor (i.e. very poor/not compliant)</b>
<b>Yellow - Needs attention (i.e. limited compliance)</b>
<b>Green - Acceptable (i.e. good compliance)</b>

Category	Technical Assessment	Verification Assessment
<b>Overall Status</b>	<b>Needs Attention</b>	<b>Needs Attention</b>
1. Integrated Planning and Implementation	<b>Acceptable</b>	<b>Acceptable</b>
2. Service Delivery	<b>Poor</b>	<b>Poor</b>
3. Human Resource Management	<b>Needs Attention</b>	<b>Poor</b>
4. Financial Management	<b>Needs Attention</b>	<b>Needs Attention</b>
5. Community Engagement/Participation	<b>Acceptable</b>	<b>Acceptable</b>
6. Governance	<b>Poor</b>	<b>Poor</b>

Level Characterisation Frequency	Technical Assessment	Verification Assessment
<b>Level 1 - Non-compliance</b>	<b>27.6%</b>	<b>37.9%</b>
<b>Level 2 - Partial compliance</b>	<b>37.9%</b>	<b>31.0%</b>
<b>Level 3 - Full compliance</b>	<b>20.7%</b>	<b>17.2%</b>
<b>Level 4 - Full compliance with commendation(s)</b>	<b>6.9%</b>	<b>6.9%</b>
<b>Not applicable</b>	<b>6.9%</b>	<b>6.9%</b>

Spider diagramme illustrating the difference between technical assessment and verification assessments

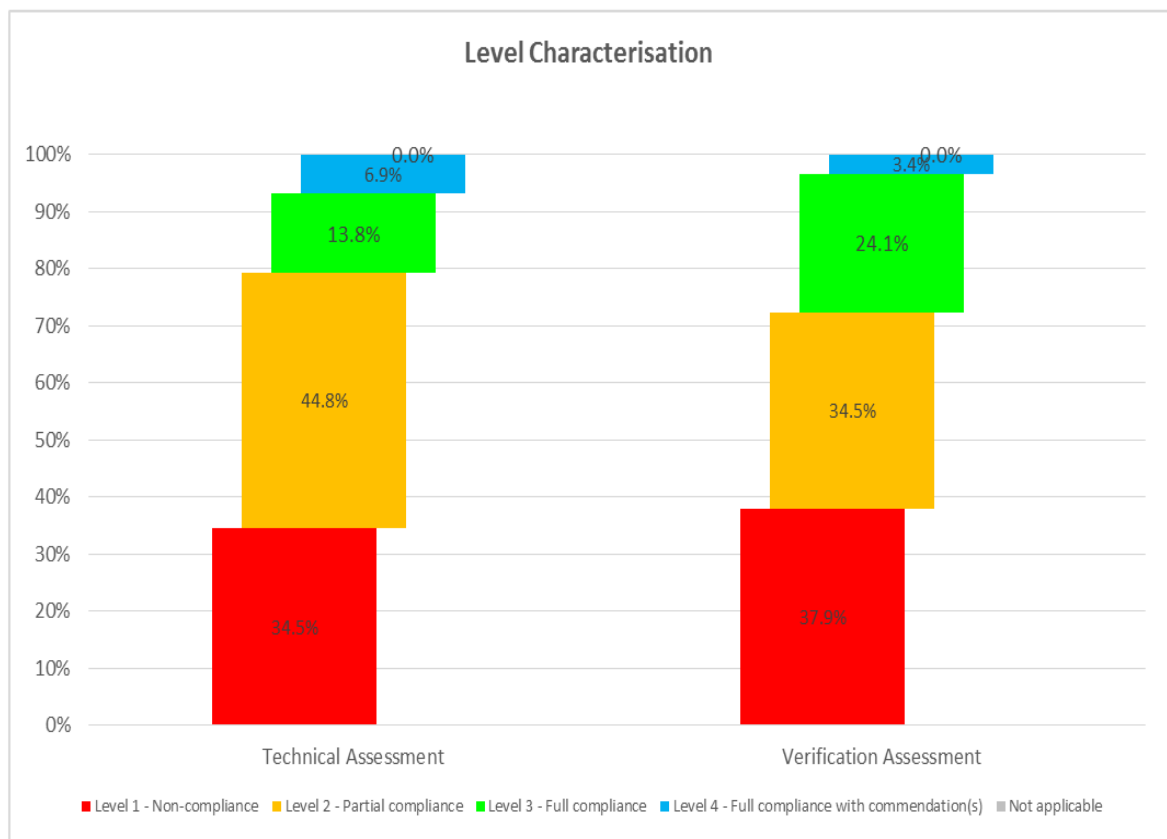


Score per Performance Standard

Key Performance Area - Level Achieved	Technical Assessment	Verification Assessment
IDP/SDBIP	Level 3	Level 3
FBS	Level 1	Level 1
W&S	Level 2	Level 2
MuSSA	Level 3	Level 2
Waste	N/A	N/A
Refuse	Level 2	Level 1
Electricity ext	Level 1	Level 1
Electricity disbn	N/A	N/A
Transport	Level 2	Level 2
Recruitment	Level 1	Level 1
PMP	Level 3	Level 1
Admin delegations	Level 3	Level 3
Budget	Level 2	Level 2
UIF&W exp	Level 4	Level 4
Revenue	Level 2	Level 3
SCD demand	Level 2	Level 2
SCM acquisition	Level 1	Level 1

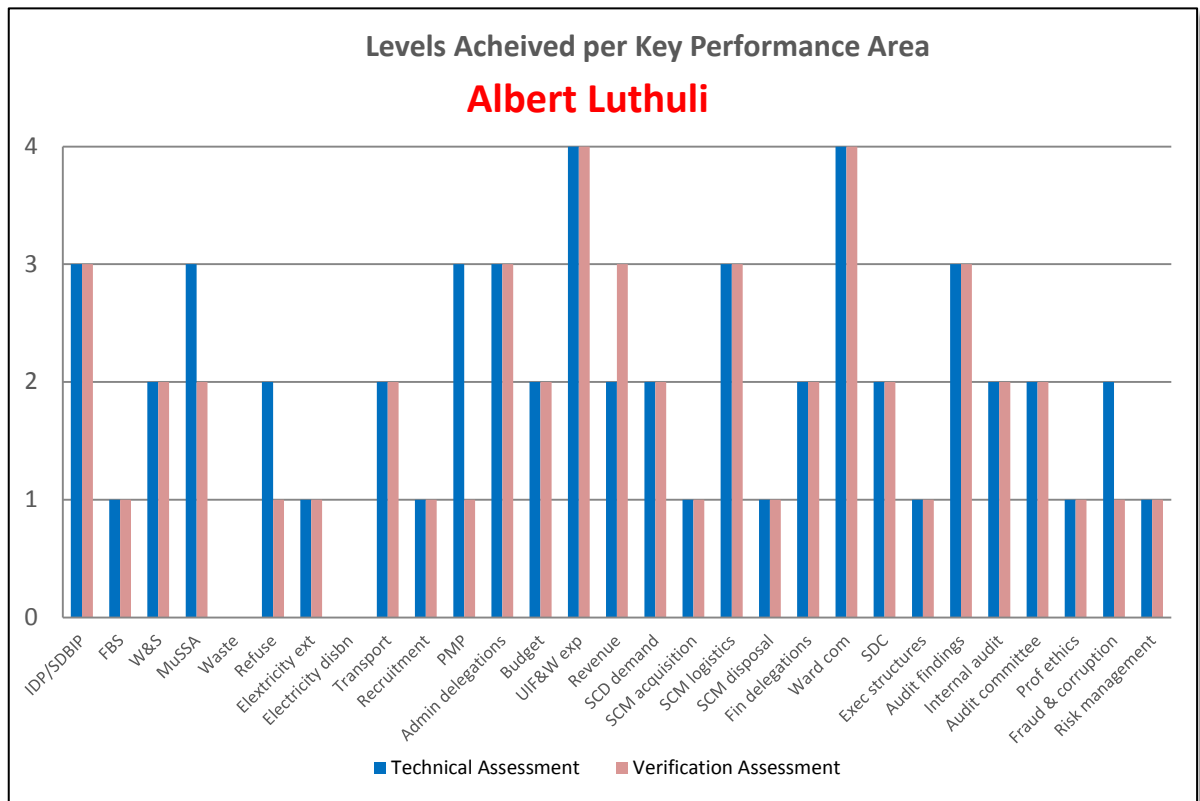
Key Performance Area - Level Achieved	Technical Assessment	Verification Assessment
SCM logistics	Level 3	Level 3
SCM disposal	Level 1	Level 1
Fin delegations	Level 2	Level 2
Ward com	Level 4	Level 4
SDC	Level 2	Level 2
Exec structures	Level 1	Level 1
Audit findings	Level 3	Level 3
Internal audit	Level 2	Level 2
Audit committee	Level 2	Level 2
Prof ethics	Level 1	Level 1
Fraud & corruption	Level 2	Level 1
Risk management	Level 1	Level 1

Bar chart indicating the percentage of scores falling within Level 1 to Level 4





Bar chart graphically indicating the score per performance standard



List of commendations the municipality achieved – it indicates the number of Level 4 Scores that the municipality achieved per Key Performance Area

Commendations (i.e. Level 4 Criteria achieved)	Technical Assessment	Verification Assessment
1. Integrated Planning and Implementation	0	0
2. Service Delivery	0	0
3. Human Resource Management	0	0
4. Financial Management	1	1
5. Community Engagement/Participation	1	1
6. Governance	0	0
<b>Total Commendations</b>	<b>2</b>	<b>2</b>

## 5. Implementing LGMIM

This section of the Guide discusses the LGMIM process in more detail. The table below shows the phases and main steps in the LGMIM process.

LGMIM initiation and launch	Self-assessment and verification of evidence	Confirmation and acceptance by MM	Moderation and Feedback	Improve and Monitor
Request for expression of interest from Provinces	LGMIM co-ordinator notifies KPA Managers to perform self-assessment	MM reviews the scores and comments, and process the report from Internal Audit and or Monitoring and Evaluation Unit	DPME and Provincial Departments of Co-operative Governance collate secondary data and upload onto LGMIM site	Municipalities develop improvement plans and or include proposed improvements in existing planning documents
Launch of LGMIM self-assessment cycle within Provinces			Moderation Team moderates the self-assessment scores (pre-moderation and moderation event)	
Engagement with participating municipalities	KPA Managers complete self-assessment and upload evidence in support of self-assessment scores	Where management and Internal Audit and or Monitoring and Evaluation Unit disagree, MM may request parties to discuss and reach consensus	Consolidation of moderated score cards and quality assurance by DPME	Implementation of these plans are then monitored by the Office of the MM and reported to the Provincial Departments of Co-operative Governance
	Internal Audit/M&E unit verifies evidence uploaded onto LGMIM site		DPME and Provincial Department of Co-operative Governance provide moderated scorecards to municipalities	
Appointment and training of municipal and provincial officials and LGMIM co-ordinators	Senior Management discusses scores and comments	MM reviews and ticks confirmation and acceptance statement on the self-assessment tool and submits to DPME	Provincial Departments of Co-operative Governance meets with municipalities to discuss LGMIM results. (DPME may provide initial support as required)	Provincial Departments of Co-operative Governance monitors planned improvement activities
	If Senior Management agrees, submit to MM.  If not agreed request changes and resubmit to Internal Audit and or Monitoring and Evaluation Unit if new evidence is added		Municipalities may lodge an application for their moderated scores to be reconsidered, should they be able to provide sufficient evidence to substantiate such an application.	

LGMIM initiation and launch	Self-assessment and verification of evidence	Confirmation and acceptance by MM	Moderation and Feedback	Improve and Monitor
	Internal Audit and or Monitoring and Evaluation Unit prepares report on process followed in implementing the LGMIM in the municipality		DPME submits final LGMIM results to municipalities and report such to the Outcome 9 Implementation Forum.	

## 5.1 LGMIM initiation and launch

LGMIM initiation and launch	DPME requests provinces to express interest. Self-assessment cycle is launched in the provinces and engagement with municipalities initiated.
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### Step 1: Request for expression of interest

DPME makes a formal request for expressions of interest from Provincial Departments of Co-operative Governance to participate in the LGMIM for the coming financial year. (The platform will be the Outcome 9 Technical Implementation Forum – during last quarter of the current financial year).

### Step 2: Launch of LGMIM self-assessment cycle

Provincial Departments of Co-operative Governance which expressed interest is formally engaged by DPME by means of planning workshops (provincial workshops to take place during quarter 1 of the commencing financial year). LGMIM provincial co-ordinators responsible for co-ordinating the LGMIM process in provinces are appointed.

### Step 3: Engagement with municipalities

Provincial Department of Co-operative Governance meets with the municipal senior management team of nominated municipalities to introduce or provide a broad overview of the LGMIM, outlining its value and benefit to secure commitment and buy-in.

### Step 4: Appointment and training of municipal and provincial LGMIM co-ordinators

The municipality appoints a LGMIM Coordinator (responsible for co-ordinating the LGMIM process in the municipality) and designates a Key Performance Area (KPA) Manager for each of the six KPAs of LGMIM.

DPME provide user training for Provincial Support Team, Municipal LGMIM Coordinators and representatives of the Internal Audit and or Monitoring and Evaluation Units within the municipalities.

Municipalities develop process plans for the municipal self-assessments (outlining roles and responsibilities as well as agreed upon timeframes) and forward to the DPME and the relevant provincial DCOG.

## 5.2 Self-assessment and verification of evidence

Self-assessment and verification of evidence	Municipalities conduct self-assessments through a structured process co-ordinated by the Municipal LGMIM Co-ordinator. Senior Management deliberates on LGMIM scores
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### Step 1: Completion of the LGMIM technical assessment component

The LGMIM Coordinator is responsible for co-ordinating the LGMIM process in the municipality in accordance with the adopted process plan. The KPA Managers are responsible for ensuring that the technical assessment is completed for their designated KPA and relevant evidence is uploaded onto the LGMIM site. They are also responsible for discussions with Internal Audit and or Monitoring and Evaluation unit regarding the evidence that has been uploaded. The LGMIM Co-ordinator then collates all the information and makes the assessment available to Internal Audit and or Monitoring and Evaluation unit for verification.

### Step 2: Internal Audit and or Monitoring and Evaluation unit verification

Internal Audit and or Monitoring and Evaluation unit reviews the evidence to verify whether or not evidence uploaded by Senior Managers (KPA Managers) exists for level at which the Municipality rated itself. Options:

- Evidence exists and is included in evidence folder: Internal audit completes comment section of LGMIM to indicate verification. LGMIM Co-ordinator arranges a senior manager meeting for group discussion of LGMIM self-assessment.
- Evidence does not exist or is not included in the evidence folder: Internal audit and or Monitoring and Evaluation unit completes comment section of LGMIM – indicating that evidence could not be verified and provides reasons for this. Return self-assessment to LGMIM co-ordinator and Senior Manager (KPA Manager). Senior Manager (KPA manager) and internal audit and or Monitoring and Evaluation unit discuss and if required additional evidence is provided.
- Internal Audit and or Monitoring and Evaluation unit cannot verify evidence: Complete relevant statement and provides reasons for not verifying evidence. LGMIM assessment with comments from Internal Audit and or Monitoring and Evaluation unit submitted to LGMIM Co-ordinator for discussion by senior management.

### Step 3: Senior Management Discussion (Mayor or Executive Mayor optional)

Senior Management review and evaluate the assessment and may ratify assessment or request changes. External facilitators (DPME and Provincial Department of Co-operative Governance may guide the discussion, if requested). Internal audit and or Monitoring and Evaluation unit attends meeting as observers and may be asked to provide guidance.

- If changes are not required: the self-assessment, scores and comments are submitted to Municipal Manager (MM) for review and approval.
- If changes are required: Relevant Senior manager (KPA Manager) make changes and add evidence as required by senior management. If there is additional evidence added the self-

assessment is referred back to internal audit and or Monitoring and Evaluation unit to verify the additional evidence.

#### Step 4: Internal Audit and or Monitoring and Evaluation unit Report

Internal audit and or Monitoring and Evaluation unit prepares a brief report on the LGMIM process followed covering e.g. the following points:

- Description of the process followed by Internal audit and or Monitoring and Evaluation unit to verify evidence uploaded
- Confirmation that the scores were discussed and agreed to at a meeting with the LGMIM coordinator and relevant Senior Managers (KPA managers).
- Indicate if the Senior Management discussion was facilitated by an external facilitator
- Indicate if the Municipal Manager was present at the Senior Management discussion.
- List of senior managers present and list of senior managers absent.
- Date of senior management discussion(s).
- Start time and end time of discussion(s).
- Note any contestations between technical assessment and internal verification of evidence that may not have been resolved.
- Any other points about the process followed.

### 5.3 Confirmation and Acceptance by the Municipal Manager (MM)

Confirmation and acceptance by the MM	Municipal Manager reviews and confirms final municipal self-assessment scores.
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The MM reviews the LGMIM scores and comments.

The MM considers the Internal Audit and or Monitoring and Evaluation unit report on the application of the LGMIM process.

If the MM has queries, these may be referred to the relevant parties. Once the MM is satisfied, he/she **ticks the approval statement** on the LGMIM self-assessment sheet and submits the scorecard to DPME.

If the MM is satisfied with the scores and comments, he/she **ticks the approval statement** and the LGMIM self-assessment is submitted to DPME.

## 5.4 Moderation

Moderation	External Team led by DPME and Provincial Department of Co-operative Governance/Local Government moderates the self-assessment. DPME and Provincial Department of Co-operative Governance/Local Government discusses the moderated results with municipalities and submits the LGMIM results to the Outcome 9 Implementation Forum
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### Step 1: Collation of secondary data

Provincial Support Team collects & consolidates secondary data from sectoral departments & oversight bodies – especially the information held by provincial counterparts (e.g. Provincial Treasuries).

DPME can support the Provincial Departments of Co-operative Governance/Local Government where the information is held by a National Department. DPME stores the information electronically on the LGMIM site (document depository) for use by external moderators.

### Step 2: Moderation of Self-assessments

Moderators review the self-assessment scores against the criteria set out for each management performance standard in LGMIM, using the evidence submitted by the municipality and the secondary data drawn from other sources *(Please refer to Moderation guide for detailed description of the moderation process)*.

The moderators will confirm the scores or modify the scores. Where they modify scores, moderators provide reasons for the modification.

Moderators may not call for additional evidence from the municipality.

## 5.5 Feedback

Feedback	DPME and Provincial Department of Co-operative Governance/Local Government discusses the moderated results with municipalities and submits the LGMIM results to the Outcome 9 Implementation Forum
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### Step 1: DPME provides moderated scorecards to Provincial Department of Co-operative Governance and municipalities

The LGMIM assessment tool prepares a scorecard for each municipality. The Provincial Departments of Co-operative Governance and each municipality is provided with a copy of its scorecard containing the moderated scores and comments.

## **Step 2: The Provincial Department of Co-operative Governance meets with municipalities to discuss the LGMIM results**

On request, Provincial Department of Co-operative Governance meets with municipalities to discuss their LGMIM results. There may be provincial variations to the feedback process. During this feedback process Municipalities will be afforded the opportunity to lodge an application for their moderated scores to be reconsidered, should they be able to provide sufficient evidence to substantiate such an application. DPME and the Provincial Departments of Co-operative Governance will engage with municipalities whom submitted an application for the reconsideration of their scores as a final step in the moderation process.

## **Step 3: DPME submits the results to the Outcome 9 Implementation Forum**

DPME is required to report to the Outcome 9 Implementation Forum on the LGMIM results.

It is recommended that provincially the Provincial Department of Co-operative Governance submits the provincial results to the Provincial Executive Committee.

## **5.6 Improve and Monitor**

Improve and Monitor	Municipalities develop improvement plans
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### **Step 1: Compilation of Improvement Plans**

A municipality that scores at Level 1 or Level 2 for a performance standard is not fully compliant with the legal, regulatory and prescribed best practise requirements and there is room for improvement before a level 3 score, indicating full compliance, can be achieved (Please refer to Improvement plan guide for more detail on the development of improvement plans/strategies).

Municipalities are expected to improve their management practices and address problems identified during the LGMIM process by compiling improvement plans/strategies. For the purpose of LGMIM, an improvement plan refers to an action plan/strategy developed to help a municipality to progress from one level to the next in relation to affected standards, using their most recent LGMIM results as the baseline (*Please refer to Improvement plan guide for more detail on the development of improvement plans/strategies*).

There should be progressive improvement in subsequent LGMIM results.

Improvement plans may be incorporated in existing planning documents. In some cases, there are already improvement plans in place and the municipality simply needs to update these plans.

### **Step 2: Monitor Improvements**

The Office of the MM is expected to monitor implementation of improvements and report to the Provincial Departments of Co-operative Governance.

Provincial Departments of Co-operative Governance will bi-annually report progress with the implementation of the planned improvements to the Outcome 9 Technical Implementation Forum.

## 6. LGMIM Standards 2014/15

This section shows the Standards, Evidence and Moderation Criteria that will be used for the 2014/15 round of LGMIM assessments.

LGMIM Key Performance Areas, and Standards					
1. Integrated Development Planning and Implementation	2. Service Delivery	3. Human Resource Management	4. Financial Management	5. Community Engagement/ Participation	6. Governance
1.1 Service Delivery Planning and Implementation Mechanisms	2.1 Access to Free Basic Services	3.1 Application of Prescribed Recruitment Practices	4.1 Effective Budget Planning and Management	5.1 Functional Ward Committees	6.1 Functionality of Executive Structures
	2.2 Extension of Water and Sanitation Services	3.2 Implementation of Prescribed Performance Management Practices for the MM and managers reporting directly to the MM	4.2 Management of Unauthorised, irregular or Fruitless and Wasteful Expenditure	5.2 Service Delivery Charter/Service Standards	6.2 Assessment of Responses to Audit Findings
	2.3 Performance against Municipal Strategic Self-Assessment (MuSSA)	3.3 Approved Administrative and Operational Delegations i.t.o. MSA	4.3 Revenue Management		6.3 Assessment of Internal Audit
	2.4 Waste Disposal		4.4.1 SCM: Demand Management		6.4 Assessment of Accountability Mechanism (Audit Committee)
	2.5 Refuse Collection		4.4.2 SCM Acquisition Management		6.5 Assessment of policies and systems to ensure professional ethics
	2.6 Extension of Electricity		4.4.3 SCM: Logistics Management		6.6 Prevention of Fraud and Corruption
	2.7 Generation, transmission or distribution, operation, maintenance and refurbishment of electricity infrastructure		4.4.4 SCM Disposal Management		6.7 Functional Risk Management unit/ committee
	2.8 Mapped and Maintained Municipal Land Transport Network		4.5 Approved systems of Financial Delegations in place i.t.o. MFMA		



<b>1</b>	<b>Key Performance Area:</b> Integrated planning and implementation
<b>1.1</b>	<b>Performance Standard name:</b> Service delivery planning and implementation mechanisms
<p><b>Performance Standard definition:</b>  Integrated development planning is a participatory process to allocate resources to development priorities for sustainable development, in accordance with legislative and regulatory requirements. <b><i>A municipality should have an adopted Integrated Development Plan (IDP) and an approved Service Delivery and Budget Implementation Plan (SDBIP) and implements these to facilitate service delivery.</i></b></p> <p><b>Importance of the Standard:</b>  The IDP should be the single, inclusive and strategic plan a municipality which once adopted should:</p> <ul style="list-style-type: none"> <li>• Link, integrate and coordinate plans and take into account proposals for the development of the municipality</li> <li>• Align the resources and capacity of the municipality to facilitate the plan's implementation</li> <li>• Form the policy framework and general basis on which the annual budget must be allocated</li> <li>• Respond to the needs of clients (internal and external) through the promotion of continuous improvement in the quantity, quality and equity of service provision.</li> </ul> <p>The SDBIP links the IDP and budget to give effect to the municipality's plans</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Outcome of provincial departments of local government's annual IDP assessment sessions – most recent</li> <li>• Outcome of the Treasury mid-year performance review – most recent</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Finance Management Act (Act 56 of 2003) (MFMA)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• MFMA: Circular 13: Service Delivery and Budget Improvement Plan, January 2005</li> <li>• Revised IDP Framework 2012 for municipalities outside metro's and secondary cities (DCoG)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>did not</b> follow processes required by S21 of the MFMA and S28 and S29 of the MSA to develop and adopt an IDP and develop and approve its SDBIP</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The process and time schedule to guide the planning, drafting, adoption and review of the IDP, the annual budget and budget related policies are adopted timeously</li> <li>The municipality has consulted stakeholders in the development of the IDP and SDBIP</li> <li>The municipality has an adopted IDP</li> <li>The municipality has an approved SDBIP</li> <li>The IDP and SDBIP for the current financial year are available to the public <b>OR</b> published on the municipal website</li> </ul>	<ul style="list-style-type: none"> <li>Council resolution formally adopting the IDP as well as the budget preparation process and time schedule for the development / review of the IDP and budget currently being implemented</li> <li>IDP and budget preparation process and time schedule approved 10 months before the start of the current budget/financial year</li> <li>Record(s) of stakeholder consultation</li> <li>Council resolution adopting the IDP for the current financial year</li> <li>IDP adopted for the current financial year</li> <li>Proof that SDBIP was approved indicating date of approval</li> <li>Approved SDBIP for the current financial year</li> <li>Proof of public availability of the adopted IDP and approved SDBIP for the current financial year (i.e. provide web addresses for the documents, screenshots of web pages where documents can be downloaded, or list of places where documents can be viewed)</li> </ul>	<p><b>Moderators to verify:</b></p> <ul style="list-style-type: none"> <li>That an adopted process and time schedule exists and was tabled in Council 10 months before the start of the current budget/financial year (Refer to S21 of MFMA and S28 of MSA)</li> <li>That stakeholder consultation took place with i.e. communities, sector departments, local business, etc.</li> <li>That the IDP has been adopted for the current financial year</li> <li>That the SDBIP has been approved for the current financial year</li> <li>Current IDP and SDBIP are available to public <b>OR</b> appear on the municipal website</li> </ul>	Level 2
<ul style="list-style-type: none"> <li><b>The process and time schedule as per S21 of the MFMA and S28 to S29 of the MSA is implemented</b> resulting in the <b>timeous approval</b> of: <ul style="list-style-type: none"> <li><b>IDP</b> as prescribed (prior to the start of the new financial year)</li> <li><b>SDBIP</b> is approved within 28 days after</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Council resolution approving the budget for the current financial year</li> <li>Performance management framework/ policy for the current financial year</li> <li>Council resolutions proving progress reports were considered at least twice during the previous financial year</li> <li>3 sets of minutes of Top Management meetings</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The IDP was timeously adopted by council</li> <li>The SDBIP was timeously approved by the Mayor</li> <li>The IDP includes all required sector plans</li> <li>The SDBIP contains: <ul style="list-style-type: none"> <li>Quarterly non-financial, measurable performance objectives in the form of</li> </ul> </li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
<p>approval of the budget</p> <ul style="list-style-type: none"> <li>• Adopted IDP includes all required sector plans</li> <li>• SDBIP gives effect to the IDP and Budget of the municipality by containing <i>inter alia</i>: <ul style="list-style-type: none"> <li>– Quarterly projections of service delivery targets and performance indicators for each vote</li> <li>– Ward information for expenditure and service delivery</li> <li>– Detailed capital works plan broken down by ward over three years</li> </ul> </li> <li>• The municipality regularly monitors implementation of the IDP and the SDBIP by means of a performance management system that conforms to the requirements set out in Chapter 3 of the Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• Top Management considers monitoring reports on the IDP and SDBIP</li> <li>• Progress reports are generated and submitted to Municipal Council at least twice per financial year</li> </ul>	<p>reflecting discussion of monitoring reports</p>	<p>service delivery targets and performance indicators (outputs) for each vote</p> <ul style="list-style-type: none"> <li>- Ward information for expenditure and service delivery</li> <li>- Detailed capital works plan broken down by ward over three years</li> <li>• The existence of a performance management framework/policy as per Regulation 7 of the Municipal Planning and Performance Management Regulations of 2001, that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.</li> <li>• Progress reports are generated and submitted to Municipal Council at least twice per financial year.</li> <li>• Minutes of Top Management meetings reflect consideration of performance reports against the IDP and SDBIP</li> </ul>	
<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>• Performance reports are used to inform improvements to service delivery</li> <li>• The municipality makes the SDBIP public by ward and progress against the IDP and SDBIP are communicated regularly to the public on ward basis</li> <li>• Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and:</b></p> <ul style="list-style-type: none"> <li>• Evidence of how performance reports are used to inform improved service delivery (i.e. minutes, resolutions, etc.)</li> <li>• Evidence that the municipality makes the IDP and SDBIP public by ward and progress against these are communicated regularly to the public on ward basis</li> </ul>	<p><b>Municipality is level 3 compliant and:</b></p> <p><b>Moderators to verify that i.e.:</b></p> <ul style="list-style-type: none"> <li>• Evidence that performance reports are used to frame strategies/actions to effect improvement in service delivery where required</li> <li>• Municipality makes the IDP and SDBIP public by ward and progress against these are communicated regularly to the public on ward</li> </ul>	Level 4

Standard criteria	Evidence documents	Moderation criteria	Level
	<ul style="list-style-type: none"> <li>Other – please specify</li> </ul>	basis <ul style="list-style-type: none"> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.1</b>	<b>Performance Standard name:</b> Access to Free Basic Services (FBS)
<p><b>Performance Standard definition:</b>  As part of government's strategy to alleviate poverty in South Africa a policy for the provision of a free basic level of services has been introduced. Free Basic services are defined as:</p> <p><b>Water:</b>  the provision of:</p> <ul style="list-style-type: none"> <li>• Minimum of 6 000 litres of safe water per household per month (25 litres per person per day)</li> </ul> <p><b>Sanitation:</b>  the provision of:</p> <ul style="list-style-type: none"> <li>• A sanitation facility as defined in the SFWS (2003);</li> <li>• Operation and maintenance support necessary for the safe disposal/removal of human waste and black and/or grey water from the premises;</li> <li>• Communication of good sanitation, hygiene and related practices; and</li> <li>• 10 kl additional free basic water per month in cases where water-borne sanitation is provided as the basic level of service</li> </ul> <p><b>Energy:</b>  the provision of:</p> <ul style="list-style-type: none"> <li>• Minimum 50kWh hours per household per month connected to the grid-based system</li> <li>• Where there is no grid, alternative energy sources are provided</li> </ul> <p><b>Refuse removal:</b>  The most appropriate level of waste removal service provided based on site specific circumstances. Such a basic level of service, be it in an urban or rural setup, is attained when a municipality provides or facilitates waste removal through:</p> <ul style="list-style-type: none"> <li>• On-site appropriate and regular disposal in areas designated by the municipality supervised by a waste management officer (applicable to remote rural areas with low density settlements and farms – i.e. areas with less than 10 dwelling units per ha)</li> <li>• Community transfer to central collection point at least once weekly (medium density settlements (10 – 40 dwelling units per ha)</li> <li>• Organised transfer to central collection points and/or curb-side collection at least once weekly (high density settlements (&gt;40 dwelling units per ha)</li> <li>• Mixture of 2 and 3 above for medium to high density settlements</li> </ul> <p><b>Importance of the Standard:</b></p>	

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

**Possible secondary data sources:**

Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:

- Latest annual local government non-financial census, STATSSA

**Relevant legislation, policies, guidelines / circulars:**

- Constitution of the Republic of South Africa (Act 106 of 1996 and as amended)
- Municipal Systems Act (Act 32 of 2000 and as amended)
- Water Services Act (Act 103 of 1997) Strategic Framework for Water Services (2003)
- National Environmental Management: Waste Act (Act 59 of 2008)
- National Policy for the provision of Basic Refuse Removal Services to Indigent households 2011
- Free Basic Water Implementation Strategy (2007)
- Free Basic Sanitation Implementation Strategy (2009)
- Electricity Basic Services Support Tariff (Free Basic Electricity) Policy (2003)
- Local Government: Municipal Planning and Performance Management Regulations 2001
- National Framework for Municipal Indigent Policies, DCOG,
- Free Basic Alternative Energy policy, 2007 General Notice 391 of 2007
- South African Electricity Supply Industry: Electricity Pricing Policy (EPP), Government Notice 1389 of 2008

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>does not</b> have a Free Basic Services and /or an Indigent Policy</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The municipality has an approved Free Basic Services <b>and</b> /or an approved Indigent Policy in place in terms of all four FBSs, which include any need for the provision of alternative services</li> <li>The municipality has an Indigent Register <b>OR</b> tariff policy in place that subsidises the provision of FBS on an area basis</li> <li>The Free Basic Services <b>and/or</b> Indigent Policy is budgeted for in terms of all four FBSs which include any need for the provision of alternative services</li> </ul>	<ul style="list-style-type: none"> <li>Council resolution on the approval of the FBS and/or Indigent policy</li> <li>Approved Policy document(s)</li> <li>Extract of Indigent register for the current financial year / Tariff policy for the current financial year</li> <li>Sheet A10 of schedule A of the annual budget tables for the current financial year</li> <li>SDBIP for the current financial year</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>Policy document(s) is approved by the council and address the provision of all four FBSs including any need for the provision of alternative services</li> <li>The municipality has an indigent register <b>OR</b> tariff policy in place that subsidises the provision of FBS on an area basis</li> <li>The Free Basic Services <b>and/or</b> Indigent Policy budgeted for in terms of all four FBSs which include any need for the provision of alternative services</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The Indigent register <b>OR</b> tariff policy that subsidises the provision of FBS on an area basis is up-to-date / reviewed at least annually</li> <li>Implementation of the Free Basic Services <b>and/or</b> Indigent Policy is monitored through the municipality's Performance Management System</li> </ul>	<ul style="list-style-type: none"> <li>Proof of updating of indigent register and/or tariff policy (i.e. Council resolutions)</li> <li>Most recent Annual Report</li> <li>3 sets of recent and consecutive progress and monitoring reports</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The Indigent register <b>OR</b> tariff policy that subsidises the provision of FBS on an area basis is up-to-date / reviewed at least annually</li> <li>Implementation of the Free Basic Services <b>and/or</b> Indigent Policy is monitored through the municipality's Performance Management System</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality provides i.e. advisory services / consumer education to promote the effective use of FBS allocations</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and:</b> <ul style="list-style-type: none"> <li>Evidence to demonstrate that consumer education and/or other measures are leading to more effective use of FBS allocations</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and:</b> <p>Moderators to verify that:</p> <ul style="list-style-type: none"> <li>The municipality is employing measures leading to more effective use of FBS allocations</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.2</b>	<b>Performance Standard name:</b> Extension of water and sanitation services
<p><b>Performance Standard definition:</b>  Extending access to water and sanitation services/ facilities to all users in the municipality's area of jurisdiction</p> <p><b>Importance of the Standard:</b>  The primary constitutional obligation resting on Water Services Authorities (WSAs) is the provision of at least a basic level of service to all users within its area of jurisdiction. The Water Services Development Plan (WSDP) must show how the water services authority plans to meet this universal service obligation.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Water Services Development Planning Maturity Assessment reports – most recent (DWS)</li> <li>• Municipal Strategic Self-Assessment reports (MuSSA) – most recent (DWS)</li> <li>• Blue Drop reports - most recent progress or audit report (DWS)</li> <li>• Green Drop reports - most recent progress or audit report (DWS)</li> <li>• Latest annual local government non-financial census, STATSSA</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Finance Management Act (Act 56 of 2003) (MFMA)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• MFMA: Circular 13: Service Delivery and Budget Improvement Plan, January 2005</li> <li>• Water Services Act (Act 103 of 1997)</li> <li>• Strategic Framework for Water Services (2003)</li> <li>• Water Services Development Plan (WSDP) guideline (2012) (DWS)</li> </ul>	



Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The WSA <b>does not</b> have a Water Services Development Plan</li> <li>The WSA <b>does not</b> use the methodology as prescribed in the WSDP guideline to establish its water and sanitation demand</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The WSA has at least a draft Water Services Development Plan in place</li> <li>The WSA applies the methodology as prescribed in the WSDP guideline to establish its water and sanitation demand</li> <li>The WSA scored a level 2 or below on the DWS Planning Maturity assessment</li> </ul>	<ul style="list-style-type: none"> <li>Draft Water Services Development Plan</li> <li>Adopted Integrated Development Plan (IDP) and as reviewed/ amended for the current financial year</li> <li>Level 2 or below score achieved as per DWS Planning Maturity assessment: self-assessment</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>There is at least a draft Water Services Development plan (WSDP) in the prescribed format in place</li> <li>The status of the WSDP is referenced in the IDP</li> <li>The draft WSDP provides an overview of the WSA's water and sanitation demand</li> <li>The WSA has scored a level 2 or below in the DWS Planning Maturity assessment</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The WSDP (5 year plan) is <b>adopted</b> by the WSA and was <b>reviewed/amended</b> as part of the IDP review for implementation in the current financial year</li> <li>The water and sanitation projects detailed in the WSDP are captured in the SDBIP (for the current financial year) of the municipality</li> <li>The WSA has a performance management system in place that monitors implementation of and expenditure against water and sanitation projects</li> <li>Top management considers monitoring reports</li> <li>The WSA scored at least level 3 on the DWS planning maturity assessment</li> </ul>	<ul style="list-style-type: none"> <li>Council resolution on the adoption of the WSDP as part of the annual IDP review</li> <li>WSDP as adopted for the current financial year</li> <li>Section of the SDBIP for the current financial year indicating water and sanitation projects</li> <li>3 sets of recent and consecutive progress and monitoring reports generated through the municipality's performance management system</li> <li>3 sets of recent and consecutive approved minutes of Top management</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The WSDP was adopted as part of the annual IDP review for implementation in the current financial year</li> <li>The water and sanitation projects in the reviewed or amended WSDP are captured within the SDBIP for the current financial year</li> <li>The monitoring reports provide a reflection of progress against targets as set in the SDBIP</li> <li>Minutes of Top Management meetings reflect consideration of performance reports on water and sanitation projects</li> <li>The WSA has scored at least a level 3 in the DWS Planning Maturity assessment</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
	meetings reflecting discussion of monitoring reports <ul style="list-style-type: none"> <li>Level 3 score achieved as per DWS Planning Maturity assessment: self-assessment</li> </ul>		
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality scored level 4 on the DWS planning maturity model</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Level 4 score achieved as per DWS Planning Maturity assessment: self-assessment</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The WSA has scored a level 4 in the DWS Planning Maturity assessment</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.3</b>	<b>Performance Standard name:</b> Moderated performance against Municipal Strategic Self-Assessment (MuSSA)
<p><b>Performance Standard definition:</b>  The MuSSA assesses the business health/vulnerability of the WSA to fulfil its functions. It determines vulnerability against 16 functional areas. It is a benchmarking process through which trends can be monitored and areas requiring corrective action can be identified and addressed.</p> <p><b>Importance of the Standard:</b>  The MuSSA generates strategic flags that a municipality can use for identifying vulnerabilities and prioritising key remedial actions that should be undertaken to ensure effective water services delivery</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Municipal Strategic Self-Assessment reports (MuSSA) – for the past 3 years (DWS)</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Water Services Act (Act 103 of 1997)</li> <li>• Strategic Framework for Water Services (2003)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The WSA <b>does not</b> conduct the MuSSA on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The WSA conducts the MuSSA on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>MuSSA Spider diagrams for past two years</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The WSA conducts the MuSSA on an annual basis</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The WSA has developed an action plan to address vulnerabilities identified through the MuSSA</li> <li>The action plan addressing vulnerabilities is incorporated into municipal planning instruments - i.e. WSDP / Municipal Priority Action Planning (MPAP) processes / corporate management plans, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Action plan to address vulnerabilities</li> <li>Proof of incorporation of action plan to address vulnerabilities into planning instruments - i.e. WSDP / Municipal Priority Action Planning (MPAP) processes / corporate management plans, etc.</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The WSA developed an action plan to address vulnerabilities identified through the MuSSA</li> <li>The WSA is implementing the action plan by incorporating it into its planning instruments - i.e. WSDP / Municipal Priority Action Planning (MPAP) processes / corporate management plans, etc.</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The WSA is demonstrating continuous improvement and/or is continuously performing well in the MuSSA</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>MuSSA spider diagrams for past 3 years</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The WSA is demonstrating continuous improvement and/or is continuously performing well in the MuSSA</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.4</b>	<b>Performance Standard name:</b> Waste disposal
<p><b>Performance Standard definition:</b> Waste disposal practices are applied in a manner that promotes human health and protects the environment through the prevention of pollution and the degradation of the environment.</p> <p><b>Importance of the Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General's report</li> <li>• South African Waste Information System (SAWIS) generated reports (DEA)</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa (Act 106 of 1996 and as amended)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• National Environmental Management: Waste Act (Act 59 of 2008) - NEMWA 59 of 2008</li> <li>• National Environmental Management Act (Act 107 of 1998 and as amended) and Regulations – NEMA 107 of 1998</li> <li>• National Health Act (Act 61 of 2003)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• National Water Act (Act 36 of 1998)</li> <li>• R. 625 National Environmental Management: Waste Act (59/2008): National Waste Information Regulations</li> <li>• Hazardous Substances Act (Act 5 of 1973)</li> <li>• Government Gazette No 36784 dated 23 August 2013. <ul style="list-style-type: none"> <li>- R634 Waste Classification &amp; Management Regulations</li> <li>- R635 National Norms &amp; Standards for the Assessment of Waste for Landfill Disposal</li> <li>- R636 National Norms &amp; Standards for Disposal of Waste to Landfill</li> </ul> </li> <li>• Government Gazette No 37088 dated 29 November 2013 <ul style="list-style-type: none"> <li>- Government Notice 926: National Norms and standards for the storage of waste</li> </ul> </li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality has operational/active waste handling facilities under the management of the municipality but these are <b>not licensed or do not have licence applications lodged</b> (in the case of DMs this refers to the regional facilities serving more than one LM that District Municipalities might be operating)</li> <li>The municipality <b>does not</b> have an Integrated Waste Management Plan (IWMP)/ 1<sup>st</sup> generation Integrated Waste Management Plan in place</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>All operational/active waste handling facilities are licensed <b>OR</b> licence applications have been lodged</li> <li>The municipality has at least a draft Integrated Waste Management Plan (IWMP) / 1<sup>st</sup> generation Integrated Waste Management Plan in place (in the case of districts performing a waste disposal function, the draft District Integrated Waste Management Plan)</li> </ul>	<ul style="list-style-type: none"> <li>List of operational/active waste handling facilities</li> <li>Waste Management Licenses <b>and/or</b> copies of applications lodged</li> <li>Draft Integrated Waste Management Plan (IWMP) / 1<sup>st</sup> generation Integrated Waste Management Plan</li> <li>Adopted Integrated Development Plan (IDP) and as reviewed/amended for the current financial year</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Licenses exist for operational waste handling facilities <b>and/or</b> copies of application forms exist for facilities for which applications have been lodged</li> <li>There is at least a draft Integrated Waste Management Plan (IWMP) or in the case of District Municipalities performing a waste disposal function, a draft District Integrated Waste Management Plan in place</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>All operational /active waste handling facilities are licensed <b>AND</b> are complying to licence conditions</li> <li>The municipality has an approved Integrated Waste Management Plan (IWMP) or in the case of District Municipalities performing a waste disposal function, a District Integrated Waste Management Plan in place that was reviewed/amended or confirmed as part of the IDP review for implementation in the current financial year</li> <li>Projects detailed in the reviewed/amended or confirmed IWMP are captured in the Service Delivery and Budget</li> </ul>	<ul style="list-style-type: none"> <li>Bi-annual landfill/ waste handling facilities external audit reports</li> <li>Latest annual performance report</li> <li>Approved Integrated Waste Management Plan (IWMP) IWMP for the current financial year</li> <li>Designation letter of the</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>That all operational/active waste handling facilities are licensed <b>AND</b> complying to licence conditions</li> <li>The municipality has an approved IWMP or in the case of District Municipalities performing a waste disposal function, a District Integrated Waste Management Plan that was reviewed/amended or confirmed as part of the IDP review for implementation in the current financial year as per the requirements set out in the NEMWA 59 of 2008</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
<p>Implementation Plan (SDBIP for the current financial year)</p> <ul style="list-style-type: none"> <li>The municipality has a designated Waste Management Officer (WMO) from its administration</li> <li>The municipality has a performance management system in place that monitors operations at waste handling facilities</li> <li>Top management engages with monitoring reports in respect of the operation of waste handling facilities</li> <li>The municipality is regularly reporting into the South African Waste Information System (SAWIS)</li> </ul>	<p>WMO</p> <ul style="list-style-type: none"> <li>Section of the SDBIP for the current financial year indicating projects listed in the IWMP</li> <li>3 sets of recent and consecutive progress and monitoring reports generated through the municipality's performance management system</li> <li>3 sets of recent and consecutive approved minutes of Top management meetings reflecting discussion of monitoring reports</li> <li>Proof that the municipality is reporting into the SAWIS</li> </ul>	<ul style="list-style-type: none"> <li>Resources have been allocated to implement the priority actions in respect of the IWMP</li> <li>The WMO has been designated</li> <li>The municipality has a performance management system in place that monitors operations at waste handling facilities</li> <li>Minutes of Top Management meetings reflect consideration of performance reports on the operation of waste handling facilities</li> <li>The municipality is regularly reporting into the South African Waste Information System (SAWIS)</li> </ul>	
<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>The municipality is demonstrating effective waste disposal practices such as rehabilitation of land fill sites</li> <li>Forward planning is taking place in the sense that the municipality has knowledge of when land fill sites will reach end-of life and has plans in place to identify alternative and/or extending the life-span of existing sites</li> <li>Landfill sites are designed and operated to enable harnessing of alternative energy</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>Landfill rehabilitation plans</li> <li>Proof of forward planning</li> <li>Proof that landfill sites are harnessed to generate alternative energy</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The municipality is demonstrating effective waste disposal practices i.e. plans are in place to rehabilitate land fill sites and such rehabilitated land is used for open space or other allowable land uses</li> <li>Landfill sites are designed and operated to enable harnessing of alternative energy</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>2</b>	<b>Key Performance Area: Service Delivery</b>
<b>2.5</b>	<b>Performance Standard name: Refuse collection</b>
<p><b>Performance Standard definition:</b> A waste service is provided to all waste generators within the area of jurisdiction, by extending appropriate waste services to all un-serviced areas and a continuously improving level of service provided</p> <p><b>Importance of the Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest annual local government non-financial census, STATSSA</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• National Environmental Management: Waste Act (Act 59 of 2008)</li> <li>• National Environmental Management Act (Act 107 of 1998 and as amended) and Regulations</li> <li>• National Health Act (Act 61 of 2003) Municipal Structures Act (Act 117 of 1998)</li> <li>• National Policy for the provision of Basic Refuse Removal Services to Indigent households 2011</li> <li>• Government Notice No. 21 of 2011 (Government Gazette no 33935 ) NEMWA 59 of 2008:National domestic waste collection standards</li> </ul>	



Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The Municipality <b>has not</b> established its status quo regarding the number of clients that <b>do not</b> receive a refuse collection service</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The Municipality has established its status quo regarding the number of clients that <b>do not</b> receive a refuse collection service</li> <li>The municipality has a methodology/technique in place to establish demand in respect of refuse collection services in its area of jurisdiction</li> <li>The municipality has at least a draft Integrated Waste Management Plan/ 1<sup>st</sup> generation Integrated Waste Management Plan in place to extend refuse collection services to under or un-serviced clients</li> </ul>	<ul style="list-style-type: none"> <li>IDP situational analysis and section on waste management (for the current financial year)</li> <li>Draft Integrated Waste Management Plan/ 1<sup>st</sup> generation Integrated Waste Management Plan</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The IDP situational analysis indicates the status quo regarding the number of clients that <b>do not</b> receive a refuse collection service</li> <li>The municipality has a methodology/technique in place to establish demand in respect of refuse collection services in its area of jurisdiction</li> <li>There is at least a draft Integrated Waste Management Plan / 1<sup>st</sup> generation Integrated Waste Management Plan (IWMP) in place</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The municipality has an approved Integrated Waste Management Plan (IWMP) in place that was reviewed/amended or confirmed as part of the IDP review for implementation in the current financial year</li> <li>The approved IWMP indicates how a Municipality will divert recyclable waste away from the landfill</li> <li>The extension and continuous improvement of refuse services and recyclable waste diversion from landfill site as detailed in the IWMP are captured in the SDBIP for the current financial year</li> <li>The municipality has a performance management system in place that monitors performance against targets set for the following: refuse collection; recyclable waste diversion from landfills as per the National domestic waste collection standards as prescribed in Government Notice No. 21 of 2011 (Government Gazette no 33935 ) NEMWA 59 of 2008 as well as expenditure</li> <li>Top management considers refuse collection monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Approved Integrated Waste Management Plan (IWMP) IWMP that was reviewed/amended or confirmed as part of the IDP review for implementation in the current financial year</li> <li>Section of the SDBIP for the current financial year indicating projects listed in the IWMP</li> <li>3 sets of recent and consecutive progress and monitoring reports generated through the municipality's performance management system</li> <li>3 sets of recent and consecutive approved</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality has an approved IWMP that was reviewed/amended or confirmed as part of the IDP review for implementation in the current financial year</li> <li>The approved IWMP indicates how a Municipality will divert recyclable waste away from the landfill</li> <li>The refuse collection and recyclable waste diversion from landfill site aspects of the IWMP are captured within the SDBIP for the current financial year</li> <li>The monitoring reports provide a reflection of progress against set targets, expenditure and provides disaggregated information on refuse collection as per the National domestic waste collection standards</li> <li>Minutes of Top Management meetings reflect consideration of performance reports on refuse collection services</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
reports	minutes of Top management meetings reflecting discussion of refuse collection monitoring reports		
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• Top management considers monitoring reports to inform decision- making and/or remedial actions as required to facilitate effective refuse collection and transportation</li> <li>• The municipality can prove innovation in respect of their refuse collection service beyond the requirements as set out in above criteria (i.e. community awareness on waste minimisation strategies)</li> <li>• Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• Proof that the municipality is innovative in respect of their refuse collection service beyond the requirements of level 3</li> <li>• Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• The municipality is innovative in respect of their refuse collection service beyond the requirements as set out in above criteria (i.e. community awareness on waste minimisation strategies)</li> <li>• Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.6</b>	<b>Performance Standard name:</b> Extension of electricity
<p><b>Performance Standard definition:</b>  Extending access to electricity to all users in the municipality's area of jurisdiction</p> <p><b>Importance of the Standard:</b>  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.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest annual local government non-financial census, STATSSA</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• Electricity Regulation Act (Act 4 of 2006 and as amended) and Regulations</li> <li>• Suite of supply policy guidelines for the Integrated National Electrification Programme (INEP), 2012/13 – Department of Energy</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>does not</b> have a methodology and/or technique to establish its electricity / energy demand</li> <li>The municipality <b>does not</b> have an Electricity Master Plan / energy plan</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The Municipality has a methodology and/or technique to establish its electricity / energy demand</li> <li>The municipality has at least a draft Electricity Master Plan / energy plan in place covering the entire jurisdiction of the municipality (i.e. including Eskom supply areas)</li> </ul>	<ul style="list-style-type: none"> <li>Draft Electricity Master Plan / energy plan</li> <li>Adopted Integrated Development Plan (IDP) and as reviewed/amended for the current financial year</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The IDP provides an overview of the municipality's electricity demand</li> <li>There is at least a draft Electricity Master Plan /energy plan in place covering the entire jurisdiction of the municipality (i.e. including Eskom supply areas)</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The municipality has an approved Electricity Master Plan / energy plan in place covering the entire jurisdiction of the municipality (i.e. including Eskom supply areas) for the current financial year</li> <li>Electricity / energy extension projects detailed in the Electricity Master Plan / energy plan are captured in the SDBIP for the current financial year</li> <li>The municipality has a performance management system in place that monitors implementation of and expenditure against the extension of electricity / energy projects</li> <li>Top management considers extension of electricity monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>Approved Electricity Master Plan /energy plan covering the entire jurisdiction of the municipality (i.e. including Eskom supply areas) for the current financial year</li> <li>Section of the SDBIP for the current financial year indicating projects listed in the Electricity Master Plan / energy plan</li> <li>3 sets of recent and consecutive progress and monitoring reports generated through the municipality's performance management system</li> <li>3 sets of recent and consecutive approved minutes of Top management meeting reflecting discussion of extension of electricity monitoring reports</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>An approved Electricity Master Plan / energy plan is in place covering the entire jurisdiction of the municipality (i.e. including Eskom supply areas) for the current financial year</li> <li>Electricity / energy extension projects detailed in the Electricity Master Plan / energy plan are captured in the SDBIP for the current financial year</li> <li>The monitoring reports provide a reflection of progress against targets as set in the SDBIP</li> <li>Minutes of Top Management meetings reflect consideration of performance reports on electricity/ energy projects</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality is demonstrating good planning and implementation of the extension of services through i.e. rolling out of alternative energy</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof that the municipality is innovative in respect of its roll out of extension of services beyond the requirements of</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality is demonstrating good planning and implementation of the</li> </ul>	Level 4

Standard criteria	Evidence documents	Moderation criteria	Level
strategies/infrastructure/ technologies • Other – please specify	level 3 • Other – please specify	extension of services through i.e. rolling out of alternative energy strategies/infrastructure/ technologies • Confirm evidence for other initiatives are relevant for added criteria	

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.7</b>	<b>Performance Standard name:</b> Generation, transmission or distribution, operation, maintenance and refurbishment of the electricity infrastructure
<p><b>Performance Standard definition:</b> To ensure efficient, effective and sustainable operation of the electricity supply infrastructure</p> <p><b>Importance of the Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• Electricity Regulation Act (Act 4 of 2006 and as amended) and Regulations</li> <li>• Government Gazette No. 31741 Electricity Pricing Policy (EPP), 2008</li> <li>• Electricity Act of 1987 (Act 41 of 1987 and as amended)</li> <li>• National Energy Regulator Act, 2004 (Act 40 of 2004 and as amended)</li> <li>• Suite of supply policy guidelines for the Integrated National Electrification Programme (INEP), 2012/13 – Department of Energy</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality operates electricity generation, transmission <b>and/or</b> distribution facilities <b>without a licence</b> or whilst in the process of obtaining a licence issued by NERSA</li> <li>D-forms was <b>not submitted OR not submitted</b> timeously to NERSA</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The municipality operates electricity generation, transmission <b>and/or</b> distribution facilities under a licence issued by NERSA</li> <li>D-Forms are submitted timeously to NERSA <b>AND</b> signed off by the MM and CFO</li> </ul>	<ul style="list-style-type: none"> <li>Current licence(s) issued by NERSA</li> <li>Proof of signed latest D-Form submitted to NERSA</li> </ul>	<b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>That the municipality is licensed by NERSA</li> <li>D-Forms are submitted timeously and signed off by the MM and CFO (check latest due date as per NERSA requirement)</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The municipality has a performance management system in place that monitors compliance against licence conditions, as well as the operation, maintenance and refurbishment requirements of its electricity network</li> <li>Top management considers monitoring reports on electricity generation, transmission <b>and/or</b> distribution</li> <li>The municipality annually spends at least 6% of its electricity business revenue on the repair, maintenance and refurbishment of the electricity network</li> </ul>	<ul style="list-style-type: none"> <li>3 sets of recent and consecutive monitoring reports generated through the municipality's performance monitoring system</li> <li>3 sets of recent and consecutive approved minutes of Top management meeting reflecting discussion of monitoring reports</li> <li>Schedule A table A9 of the annual budget for the current financial year</li> </ul>	<b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>The monitoring reports provide a reflection of compliance to licence conditions, as well as the operation, maintenance and refurbishment requirements of its electricity network</li> <li>Minutes of Top Management meetings reflect consideration of performance reports on electricity generation, transmission <b>and/or</b> distribution</li> <li>The municipality annually spends at least 6% of its electricity business revenue on the repair and maintenance of the network</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality undertakes Cost of Supply (COS) studies at least every five years</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Most recent Cost of supply Study (COS)</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <p>Moderators to verify that:</p> <ul style="list-style-type: none"> <li>That the municipality has undertaken a Cost of Supply Study (COS) within the past 5 years</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>2</b>	<b>Key Performance Area:</b> Service Delivery
<b>2.8</b>	<b>Performance Standard name:</b> Mapped and maintained municipal road network
<p><b>Performance Standard definition:</b> The road infrastructure facilitating the movement of persons and goods</p> <p><b>Importance of the Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa (Act 106 of 1996 and as amended)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• National Land Transport Act (Act 5 of 2009)</li> <li>• Road Infrastructure Asset Management Policy</li> </ul>	



Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>does not</b> have an Integrated Land Transport Plan in place (in the case of DMs a District ILTP)</li> <li>The municipality's land transport network is <b>not</b> mapped</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The municipality has at least a draft Integrated Land Transport Plan in place (in the case of DMs a draft District ILTP)</li> <li>The municipality's land transport network and its condition and usage are mapped and kept up to date</li> </ul>	<ul style="list-style-type: none"> <li>Draft Integrated Land Transport Plan applicable to the current financial year</li> <li>Latest municipal land transport network and condition map indicating of when last it was updated</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>There is at least a draft Integrated Land Transport Plan applicable to the current financial year in place</li> <li>The municipality's land transport network and its condition and usage are mapped and kept up to date</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The municipality has an approved Integrated Land Transport Plan in place (in the case of DMs a District ILTP)</li> <li>The municipality has submitted its ILTP to the MEC for Transport</li> <li>Road extension and maintenance projects in the ILTP are captured in the SDBIP for the current financial year</li> <li>The municipality's performance management system monitors implementation and expenditure against road extension and maintenance projects</li> <li>Top Management considers monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>Approved Integrated Land Transport Plan applicable to the current financial year</li> <li>Proof that the ILTP was submitted to the MEC</li> <li>Section of the SDBIP for the current financial year indicating projects listed in the ILTP</li> <li>3 sets of recent and consecutive progress and monitoring reports generated through the municipality's performance management system</li> <li>3 sets of recent and consecutive approved minutes of Top management meeting reflecting discussion of monitoring reports</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality has an approved Integrated Land Transport Plan applicable to the current financial year in place</li> <li>The municipality has submitted its ILTP to the MEC for Transport</li> <li>Road extension and maintenance projects in the approved ILTP are captured within the SDBIP for the current financial year</li> <li>That the performance management system monitors implementation and expenditure against road extension and maintenance projects</li> <li>Minutes of Top Management meetings reflect consideration of performance reports on road extension and maintenance projects</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality is demonstrating good management, operation, maintenance and refurbishment of its transportation network</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof that the municipality is demonstrating good management, operation, maintenance and</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality is demonstrating good management, operation, maintenance and</li> </ul>	Level 4

Standard criteria	Evidence documents	Moderation criteria	Level
<p>through i.e. effective integration of the means of conveyance</p> <ul style="list-style-type: none"> <li>Labour intensive methodologies are used in road extension and maintenance projects</li> <li>Other – please specify</li> </ul>	<p>refurbishment of its transportation network through i.e. effective integration of the means of conveyance</p> <ul style="list-style-type: none"> <li>Proof that labour intensive methodologies are used in road extension and maintenance projects</li> <li>Other – please specify</li> </ul>	<p>refurbishment of its transportation network through i.e. effective integration of the means of conveyance</p> <ul style="list-style-type: none"> <li>Labour intensive methodologies are used in road extension and maintenance projects</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	

<b>3</b>	<b>Key Performance Area:</b> Human Resource Management
<b>3.1</b>	<b>Performance Standard name:</b> Application of prescribed recruitment practices
<p><b>Performance Standard definition:</b>  Vacancies at senior management level (MM, managers reporting directly to the MM) and in respect of positions earmarked for exercising financial management responsibilities are filled through recruitment of qualified and competent staff</p> <p><b>Importance of the Standard:</b>  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.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Municipal Finance Management Act (Act 56 of 2003)</li> <li>• National Treasury: Local Government: MFMA: Municipal regulations on minimum competency levels, 2007 (No R 493);</li> <li>• Department of Cooperative Governance: Local Government: MSA: Municipal regulations on appointments and conditions of employment of Senior Managers, 2014 (GN No.21)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>Regulation 493 (2007) of the MFMA and Regulation on Appointments and conditions of employment of Senior Managers, 2014 (GN No.21) of the MSA <b>are not</b> implemented as prescribed in terms of the recruitment of competent staff and or the up skilling of staff</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>Regulation 493 (2007) of the MFMA is implemented as prescribed in terms of either compliance to minimum competency requirements or that affected officials are in the process of attaining the required minimum competencies i.r.o.: General and minimum competency levels for: 1) accounting officer; 2) chief financial officer; 3) senior managers; 4) other financial officials of municipalities 5) heads of SCM units; and 2) minimum competency levels for SCM managers</li> <li>Vacancy levels at senior management level (MM and S56 managers) are above 30% as tested at 30 June of the previous financial year</li> </ul>	<ul style="list-style-type: none"> <li>Bi-annual reports in terms of R493 submitted to the National and relevant provincial Treasury (until September 2015)</li> <li>Most recent Annual Report</li> <li>Staff establishment and vacancies as at 30 June of the previous financial year</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Regulation 493 (2007) of the MFMA is implemented as prescribed in terms of either compliance to minimum competency requirements or that affected officials are in the process of attaining the required minimum competencies i.r.o.: General and minimum competency levels for: 1) accounting officer; 2) chief financial officer; 3) senior managers; 4) other financial officials of municipalities 5) heads of SCM units; and 2) minimum competency levels for SCM managers</li> <li>Vacancy levels at senior management level are above 30% as tested at 30 June of the previous financial year</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>Vacancies levels at senior management level (MM and S56 managers) is between 11% and 30% as tested at 30 June of the previous financial year</li> <li>All appointments of MM and managers reporting directly to the MM that have been made from January 2014 have: <ul style="list-style-type: none"> <li>all the competencies set out in Annexure A (GN No.21) of the MSA and;</li> <li>comply with the minimum requirements for higher education, work experience and knowledge as set out in Annexure B (GN No.21) of the MSA</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>3 consecutive monthly reports to the executive/mayoral committee on the filling of vacant senior manager posts</li> <li>Report to the MEC for local government on appointment processes, outcomes, and conditions of employment of Senior Managers, 2014 (GN No.21) Regulation 17(3)(b)</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Vacancy levels at senior management level are equal or less than 30% of the previous financial year</li> <li>All appointments of MM and managers reporting directly to the MM that have been made from January 2014 have: <ul style="list-style-type: none"> <li>all the competencies set out in Annexure A of the Regulations on Appointments and conditions of employment of Senior Managers,</li> </ul> </li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
		2014 (GN No.21) of the MSA and; <ul style="list-style-type: none"> <li>– comply with the minimum requirements for higher education, work experience and knowledge as set out in Annexure B of the Regulations on Appointments and conditions of employment of Senior Managers, 2014 (GN No.21) of the MSA</li> </ul>	
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• There is minimal vacancies (less than 10%) at senior management level (MM and S56 managers) as tested at 30 June of the previous financial year</li> <li>• Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• Other – please specify</li> </ul>	<b>Moderators to verify that:</b> <b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• Vacancy levels at senior management level are equal or less than 10%</li> <li>• Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>3</b>	<b>Key Performance Area:</b> Human Resource Management
<b>3.2</b>	<b>Performance Standard name:</b> Implementation of prescribed Performance Management practices for the MM and managers reporting directly to the MM
<p><b>Performance Standard definition:</b> Effective performance management practices implemented in the municipality</p> <p><b>Importance of the Standard:</b> 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. Regulations 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 <b>employment contracts</b> and <b>performance agreements</b> of these managers in anticipation that these instruments will in combination ensure a basis for performance management and continuous improvement in local government.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, 2006 (No R 805)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> <li>• Local Government: disciplinary regulations for senior managers, 2010 (GN 344 of 2011)</li> <li>• Department of Cooperative Governance: Local Government: MSA: Municipal regulations on appointments and conditions of employment of Senior Managers, 2014 (GN No.21)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>Municipality <b>does not</b> have an approved performance management system in place</li> <li>MM and senior managers reporting to MM <b>do not</b> have employment contracts upon the assumption of duty as per Regulation 805 (2006) of the MSA</li> <li>MM and senior managers reporting to MM <b>do not</b> have performance agreements for the current financial year</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>Municipality has an approved policy on the performance management system with timelines and structures including roles and responsibilities in place</li> <li>MM and senior managers reporting to MM <b>all</b> have employment contracts upon the assumption of duty as per Regulation 805 (2006) of the MSA</li> <li>MM and senior managers reporting to MM <b>do not all</b> have performance agreements in place in terms of Regulation 805 (2006) of the MSA <b>AND</b> disciplinary action <b>has not been</b> taken for non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>Approved policy on the performance management system with timelines and structures including roles and responsibilities</li> <li>Report on employment contracts of MM and senior managers reporting to MM</li> <li>Report on signing of performance agreements of MM and senior managers reporting to MM</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>An approved policy on the performance management system with timelines and structures including roles and responsibilities is in place</li> <li>MM and senior managers reporting to MM <b>all</b> have employment contracts upon the assumption of duty as per Regulation 805 (2006) of the MSA</li> <li>MM and senior managers reporting to MM <b>do not all</b> have performance agreements in place in terms of Regulation 805 (2006) of the MSA <b>AND</b> disciplinary action <b>has not been</b> taken for non-compliance</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>Municipality's performance management system is implemented in that at least annual assessments were documented and finalised by due date for the previous financial year</li> <li>MM and senior managers reporting to MM <b>all</b> have performance agreements in place <b>OR</b> disciplinary action has been taken for non-compliance</li> <li>That performance agreements of MM and managers reporting to the MM is available for public scrutiny</li> </ul>	<ul style="list-style-type: none"> <li>Proof that annual assessments was finalised by due date for the previous financial year</li> <li>Proof that disciplinary action has been taken if required (where performance agreements of MM and S56 managers are not in place)</li> <li>Proof of public availability of the performance agreements of MM and managers reporting to the MM (i.e.</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Municipality's performance management system is implemented in that at least annual assessments were documented and finalised by due date for the previous financial year</li> <li>MM and senior managers reporting to MM <b>all</b> have performance agreements in place <b>OR</b> disciplinary action has been taken for non-compliance</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
	provide web addresses for the documents, screenshots of web pages where documents can be downloaded, or list of places where documents can be viewed)	<ul style="list-style-type: none"> <li>That performance agreements of MM and managers reporting to the MM are available for public scrutiny</li> </ul>	
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality cascades its performance management system down to all levels of staff</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof that the performance management system is cascaded down to all staff</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality cascades its performance management system down to all levels of staff</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4



<b>3</b>	<b>Key Performance Area:</b> Human Resource Management
<b>3.3</b>	<b>Performance Standard name:</b> The municipality has an appropriate system of administrative and operational delegations in place in terms of the Municipal Systems Act (Act 32 of 2000 as amended)
<p><b>Performance Standard definition:</b> A municipality must have an appropriate system of administrative and operational delegations in place as prescribed by the MSA that will both maximise administrative and operational efficiency and provide adequate checks and balances within the municipal administration.</p> <p><b>Importance of the Standard:</b> Effective delegations result in improved service delivery through more efficient decision making closer to the point where services are rendered. The workload of an Accounting Officer (MM) and managers reporting to the MM is better managed therefore enabling them to devote more attention to strategic issues.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul> <p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Systems Act (Act 32 of 2000 and as amended) Sections 59 to 65</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have a system of administrative and operational delegations in place as prescribed by the Municipal Systems Act</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level1
<ul style="list-style-type: none"> <li>• The municipality has a system of administrative and operational delegations in place as prescribed by the MSA <b>but it has not been reviewed and updated</b> after the last local government elections</li> </ul>	<ul style="list-style-type: none"> <li>• Latest version of Delegations document</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Evidence document is valid for level 2</li> </ul>	Level2

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality has an approved system of delegations in place aligned to the requirements of Sections 59 to 65 of the Local Government Municipal Systems Act, (Act 32 of 2000 and as amended)</li> <li>The systems of delegations has been updated after the last local government elections but also if a new municipal manager was appointed, when there was a significant change to the organisational structure due to reorganising or restructuring, or there were significant amendments to municipal policies or legislation</li> </ul>	<ul style="list-style-type: none"> <li>Council resolution approving the delegations</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The approved system of delegations is aligned to the requirements of Sections 59 to 65 of the Local Government Municipal Systems Act, (Act 32 of 2000 and as amended)</li> <li>That the system of administrative and operational delegations has been reviewed after the last local government elections or in cases where a new municipal manager was appointed, when there was a substantial change to the organisational structure, or there were amendments to municipal policies or legislation that impacts the system of delegations</li> </ul>	Level3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>There is a system in place to monitor implementation and the effectiveness of the system of delegations</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof of monitoring of the effectiveness of delegations</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>There is a system in place to monitor implementation and the effectiveness of the system of delegations</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level4

<b>4</b>	<b>Key Performance Area:</b> Financial Management
<b>4.1</b>	<b>Performance Standard name:</b> Effective budget planning and management
<p><b>Performance Standard definition:</b>  The municipality plans and manages its budget effectively, ensuring that the municipality only budgets to spend what it will realistically have available. Funding sources for capital could include grant funding, borrowing, public contributions and other internal funding sources. Operational income includes grants, service charges and rates and taxes. Budget planning and management should facilitate economic use of resources over the short and medium term.</p> <p><b>Importance of the Standard:</b>  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 effectiveness with which the municipality is able to deliver services.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> <li>• NT Local Government database</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended, Municipal Structures Act (Act 117 of 1998) and as amended,</li> <li>• Municipal Finance Management Act (Act 56 of 2003),</li> <li>• Municipal Property Rates Act (Act 6 of 2004)</li> <li>• Municipal Fiscal Powers and Functions Act (Act 12 of 2007); and Regulations to these Acts</li> <li>• Municipal Budget and Reporting Regulations (MBRR), GG 32141 of 2009</li> <li>• MFMA Circular 71 Uniform Financial Ratio’s and Norms (January 2014)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>does not have</b> internal capacity and depends on external assistance to ensure its budget is adopted timeously (i.e. officials seconded from treasury)</li> <li>Budget is <b>not</b> adopted timeously</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The municipality's budget continuously demonstrates a mismatch between historical trends and future projections – historical trends in the AFS on revenue and expenditure did not inform the current budget</li> </ul>	<ul style="list-style-type: none"> <li>Latest Annual Financial Statements</li> <li>Schedule A Table A1 of the annual budget for the current financial year</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality's budget continuously demonstrates a mismatch between historical trends and future projections – historical trends in the AFS on revenue and expenditure did not inform the current budget</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>Historical trends in the AFS on revenue and expenditure inform the municipality's current budget</li> <li>Budget monitoring takes place in accordance with the prescripts set out in the MBRR/Section 71 of the MFMA</li> <li>Budget monitoring reports are tabled in council at least on a quarterly basis</li> </ul>	<ul style="list-style-type: none"> <li>Summary sheets of 3 consecutive Schedule C reports(MBRR) / 3 consecutive Section 71 report(MFMA)</li> <li>3 sets of consecutive minutes of council meetings where budget monitoring reports were tabled</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>Historical trends in the AFS on revenue and expenditure informs the municipality's current budget</li> <li>Schedule C (MBRR) reports/Section 71 reports (MFMA) are completed in accordance with relevant prescripts</li> <li>Budget monitoring reports are tabled in council at least on a quarterly basis</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality's cash/ cost (cash over cost) coverage ratio (excluding unspent conditional grants) is at 3 months as per MFMA Circular 71</li> <li>The municipality has a cost saving / efficiencies programme in place</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Schedule A Table A7 of the annual budget for the current financial year</li> <li>Schedule C Table C7 of the annual budget for the current financial year</li> <li>Proof of cost saving / efficiencies e.g. decline in the rate of increase in i.e. tariffs</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality's cash / cost (cash over cost) coverage ratio (excluding unspent conditional grants) is at 3 months as per MFMA Circular 71</li> <li>The municipality has a cost saving / efficiencies programme in place</li> <li>Confirm evidence for other initiatives are</li> </ul>	Level 4

Standard criteria	Evidence documents	Moderation criteria	Level
	<ul style="list-style-type: none"><li>Other – please specify</li></ul>	relevant for added criteria	

<b>4</b>	<b>Key Performance Area:</b> Financial Management
<b>4.2</b>	<b>Performance Standard name:</b> Management of unauthorised, irregular and/or fruitless and wasteful expenditure
<p><b>Standard definition:</b> Ensure efficient and effective processes are in place to prevent, detect and report unauthorised, irregular and/or fruitless and wasteful expenditure</p> <p><b>Importance of the standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• 3 latest consecutive Auditor General’s reports</li> </ul> <p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Finance Management Act (Act 56 of 2003), and its Regulations</li> <li>• Municipal budget and reporting Regulations: Government Notice R393 of 2009</li> <li>• NT MFMA Circular 68 Unauthorised, irregular, fruitless and wasteful expenditure (May 2013)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality <b>does not have</b> a policy and process in place to prevent, detect and report unauthorised, irregular and/or fruitless and wasteful expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>• The municipality has a policy and process in place prevent, detect and report unauthorised, irregular and/or fruitless and wasteful expenditure</li> <li>• MM informs in writing the Mayor or executive committee, MEC and AG of such expenditure and it is reported in the Annual Performance report</li> </ul>	<ul style="list-style-type: none"> <li>• Policy document</li> <li>• Proof that Mayor or executive committee, MEC and AG were informed of unauthorised, irregular and/or fruitless and wasteful expenditure</li> <li>• Latest registry of unauthorised, irregular,</li> </ul>	<p><b>Moderators to verify:</b></p> <ul style="list-style-type: none"> <li>• The existence of a policy and process to prevent, detect and report unauthorised, irregular or fruitless and wasteful expenditure</li> <li>• MM informs in writing the Mayor or executive committee, MEC and AG of such expenditure and it is reported in the Annual Performance report</li> </ul>	Level 2

Standard criteria	Evidence documents	Moderation criteria	Level
	fruitless and wasteful expenditure (Annexure A to circular 68 of the MFMA) <ul style="list-style-type: none"> <li>• Latest Annual Performance Report</li> </ul>		
<ul style="list-style-type: none"> <li>• The relevant Council Committee investigates the recoverability of unauthorised, irregular and/or fruitless and wasteful expenditure, and report the findings to Council</li> <li>• Council takes decisions to recover, authorise or write-off unauthorised, irregular and/or fruitless and wasteful expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• Latest Council Committee investigation report on reasons for unauthorised, irregular and/or fruitless and wasteful expenditure</li> <li>• Latest Council resolution on action to be taken i.r.o. such expenditure</li> </ul>	<b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>• The existence of investigation reports showing the nature of unauthorised, irregular and/or fruitless and wasteful expenditure, reasons for such expenditure, responsible officials, the measures already taken to recover such expenditure, the cost of the measures already taken to recover such expenditure, the estimated cost and likely benefit of further measures that can be taken to recover such expenditure, and a motivation explaining its recommendation to the municipal council for a final decision.</li> <li>• That Council takes decisions to recover, authorise or write-off unauthorised, irregular and/or fruitless and wasteful expenditure</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• The municipality analyses and reviews the effectiveness of internal controls and systems to prevent recurrence of unauthorised, irregular or fruitless and wasteful expenditure on an annual basis which then informs policy updates.</li> <li>• There is a reduction in unauthorised, irregular and/or fruitless and wasteful expenditure over time</li> <li>• Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>• Proof of annual analysis and review of internal controls</li> <li>• Updated policy document</li> <li>• Proof of a reduction in unauthorised, irregular and/or fruitless and wasteful expenditure over time</li> <li>• Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>• The municipality analyses and reviews the effectiveness of internal controls and systems to prevent recurrence of unauthorised, irregular or fruitless and wasteful expenditure on an annual basis There is a reduction in unauthorised, irregular and/or fruitless and wasteful expenditure over time</li> <li>• Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>4</b>	<b>Key performance area:</b> Financial Management
<b>4.3</b>	<b>Performance standard name:</b> Revenue Management
<p><b>Performance standard definition:</b>  <i>Revenue management</i> is a fundamental and routine financial management function of the municipality's revenue generating operation that encompasses, maintaining of revenue generating assets, accurate billing, collection activities in respect of trading services and property rates levied and maximising other revenue sources.</p> <p><b>Importance of the standard:</b>  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.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended, Municipal Structures Act (Act 117 of 1998) and as amended,</li> <li>• Municipal Finance Management Act (Act 56 of 2003),</li> <li>• Municipal Property Rates Act (Act 6 of 2004)</li> <li>• National Treasury MFMA Circular 64: Revenue Management (November 2012)</li> <li>• Municipal Budget and Reporting Regulations (MBRR), GG 32141 of 2009</li> <li>• MFMA Circular 71 Uniform Financial Ratio's and Norms (January 2014)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have revenue management policies, frameworks and reporting procedures in place</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>• The council <b>adopted revenue management policies</b> which include a comprehensive revenue management framework addressing at least: <ul style="list-style-type: none"> <li>– Credit control policy</li> <li>– Rates and tariffs policies</li> <li>– Billing system</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Adopted or approved revenue management policies and revenue management framework</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Council adopted revenue management policies which include a comprehensive revenue management framework addressing at least: <ul style="list-style-type: none"> <li>– Credit control policy</li> <li>– Rates and tariffs policies</li> </ul> </li> </ul>	Level 2



Standard criteria	Evidence documents	Moderation criteria	Level
		– Billing system	
<ul style="list-style-type: none"> <li>By-laws to give effect to the implementation of its rates and tariff policies as per S6 of the LGMPRA and S75 of the MSA are in place</li> <li>Revenue management and debt collections are reported upon on a monthly basis to Council.</li> <li>The municipality maintains an acceptable collection rate in line with the national norm (Collection rate of at least 95% as per MFMA Circular 71)</li> <li>Measures are in place to recover outstanding debt in accordance with the municipal credit control policy</li> </ul>	<ul style="list-style-type: none"> <li>Approved by-laws (rates and tariffs)</li> <li>3 consecutive Schedule C reports(MBRR) / 3 consecutive Section 71 report(MFMA)</li> <li>Latest MFMA Section 72 report</li> <li>Copies of 3 consecutive council meeting agendas and minutes reflecting consideration of revenue management and debt collection reports</li> <li>Credit control policy</li> <li>Latest Annual Financial Statement</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>All by-laws as per S6 of the LGMPRA and S75 of the MSA are in place</li> <li>That the municipality on a monthly basis report to council on outstanding debtors, debt collections and credit control.</li> <li>Collection rate of at least 95% as per in MFMA Circular 71</li> <li>Measures are in place to recover outstanding debt in accordance with the municipal credit control policy</li> </ul>	Level 3
<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>The municipality ensures that <b>all</b> properties are captured on the billing system</li> <li>There is a reduction in overall outstanding debt after write-offs</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>Proof that <b>all</b> properties are captured on the billing system</li> <li>Evidence of a reduction in overall outstanding debt after write-offs</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li><b>All</b> properties are captured on the billing system</li> <li>There is a reduction in overall outstanding debt after write-offs</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>4</b>	<b>Key performance area:</b> Financial Management – Supply Chain Management
<b>4.4.1</b>	<b>Performance standard name:</b> Demand Management
<p><b>Performance standard definition:</b> 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. Demand Management constitutes the planning phase of the SCM function. The objective is to ensure that the resources required to fulfil the needs identified in the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality are available.</p> <p><b>Importance of the standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended,</li> <li>• Municipal Finance Management Act (Act 56 of 2003),</li> <li>• Municipal Supply Chain Management Regulations as published under GN 868 in GG 27636 dated 30 May 2005</li> <li>• MFMA Circular 62 Supply Chain Management: Enhancing compliance and accountability (July 2013)</li> <li>• Preferential Procurement Policy Framework Act (Act 5 of 2000)</li> <li>• Broad-Based Black Economic Empowerment Act (Act 53 of 2003) as amended</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality’s SCM policy <b>does not</b> address demand management</li> <li>• The municipality <b>does not</b> have a schedule of</li> </ul>	N/A	N/A	Level 1

Standard criteria	Evidence documents	Moderation criteria	Level
procurement plans (This refers to all municipal procurement above a transaction value of R200 000 (VAT included) and procurement of multi-year contracts)			
<ul style="list-style-type: none"> <li>The municipality's SCM policy addresses demand management</li> <li>The municipality has a schedule of procurement plans (This refers to all municipal procurement above a transaction value of R200 000 (VAT included) and procurement of multi-year contracts but it <b>was not</b> completed prior to the commencement of the new financial year)</li> </ul>	<ul style="list-style-type: none"> <li>SCM policy</li> <li>Schedule of procurement plans for the current financial year (Annexure B of National Treasury MFMA Circular 62 SCM: Enhancing compliance and accountability)</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality's SCM policy addresses demand management</li> <li>Schedule of procurement plans for the current financial year exists</li> <li>The schedule was not finalised by the SCM unit prior to the commencement of the financial year</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The municipality has a schedule of procurement plans (This refers to all municipal procurement above a transaction value of R200 000 (VAT included) and procurement of long term contracts and <b>was</b> completed prior to the start of the financial year</li> <li>The SCM unit on a continuous basis monitors and assesses the validity and accuracy of and compliance to the procurement plans (listed in the schedule) and submits reports to this effect to the MM</li> </ul>	<ul style="list-style-type: none"> <li>Proof that schedule of procurement plans was completed prior to the commencement of the current financial year</li> <li>3 sets of recent and consecutive progress and monitoring reports generated by the SCM unit</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The schedule was finalised by the SCM unit prior to the commencement of the financial year</li> <li>SCM unit is monitoring and assessing the validity and accuracy of and compliance to the procurement plans listed in the schedule</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality has a demand management plan in place (this refers to a comprehensive plan that covers all the municipal procurement needs above and below R200 000</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Demand management plan</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality has a demand management plan in place for the current financial year that covers all the municipal procurement needs above and below R200 000</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>4</b>	<b>Key performance area:</b> Financial Management – Supply Chain Management
<b>4.4.2</b>	<b>Performance standard name:</b> Acquisition Management
<p><b>Performance standard definition:</b> Supply Chain Management (SCM) could be described as a business process that ensures that goods, works or services are delivered at the right place, quantity, quality, cost and time. <b>Acquisition Management</b> is the procurement phase of the SCM function. The objective is to ensure that municipalities have processes in place for the management of the entire acquisition process.</p> <p><b>Importance of the standard:</b> To encourage municipalities to procure goods, works and services in a manner that promotes the constitutional principles of fairness, equity, transparency, competitiveness and cost-effectiveness.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended,</li> <li>• Municipal Finance Management Act (Act 56 of 2003),</li> <li>• Municipal Supply Chain Management Regulations as published under GN 868 in GG 27636 dated 30 May 2005</li> <li>• MFMA Circular 62 Supply Chain Management: Enhancing compliance and accountability (July 2013)</li> <li>• SCM: A guide for Accounting Officers of Municipalities and Municipal Entities, National Treasury, 2005</li> <li>• Preferential Procurement Policy Framework Act (Act 5 of 2000)</li> <li>• Broad-Based Black Economic Empowerment Act (Act 53 of 2003) as amended</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality’s SCM policy <b>does not</b> address acquisition management</li> <li>• The municipality <b>does not</b> have a bid register in respect</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1

Standard criteria	Evidence documents	Moderation criteria	Level
<p>of advertised competitive bids (This refers to all municipal procurement above a transaction value of R200 000 (VAT included) and procurement of multi-year contracts)</p> <ul style="list-style-type: none"> <li>The municipality <b>does not</b> have a list of accredited prospective providers</li> </ul>			
<ul style="list-style-type: none"> <li>The municipality's SCM policy addresses acquisition management</li> <li>The municipality has a bid register in respect of advertised competitive bids (This refers to all municipal procurement above a transaction value of R200 000 (VAT included) and procurement of multi-year contracts)</li> <li>The municipality has a list of accredited prospective providers in place but it <b>does not</b> meet National Treasury requirements set out in MSCM Regulation 14</li> </ul>	<ul style="list-style-type: none"> <li>SCM policy</li> <li>Bid register</li> <li>Sample of list of accredited prospective providers</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The municipality's SCM policy addresses acquisition management</li> <li>The municipality has a bid register in respect of advertised competitive bids</li> <li>The municipality has a list of accredited prospective providers in place but it <b>does not</b> meet National Treasury requirements set out in MSCM Regulation 14</li> </ul>	Level 2
<p><b>Level 2 plus:</b></p> <ul style="list-style-type: none"> <li>The municipality has a list of accredited prospective providers in place which meets NT requirements as set out in MFMA Regulation 14 <b>and</b> is updated annually through a registration process</li> <li>Bid adjudication committee is appropriately constituted and meets when required</li> <li>The municipality maintains timeous payment of providers (within 30 days) with no arrear accounts</li> <li>Providers performance on services rendered are reported upon in the Annual Performance Report</li> </ul>	<ul style="list-style-type: none"> <li>Sample of list of accredited prospective providers per commodity</li> <li>Advertisement to register providers for the current and previous financial year</li> <li>Bid adjudication committee appointment letters for the current financial year</li> <li>Minutes of 3 most recent consecutive Bid Adjudication Committee meetings</li> <li>3 consecutive Schedule C reports(MBRR) / 3 consecutive Section 71 report(MFMA)</li> <li>Latest Annual Performance Report</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Municipality has a list of accredited prospective providers in place that is updated annually, showing providers and goods/services offered</li> <li>Providers are annually invited to register onto the list of accredited prospective providers</li> <li>The Bid adjudication committee is appropriately constituted as per MFMA SCM Regulation 29 and meets as required</li> <li>The municipality maintains timeous payment of providers (within 30 days) with no arrear accounts</li> <li>Providers performance on services rendered are reported upon in the Annual Performance Report</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The prior performance of providers are taken into account when adjudicating bids</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof that bid adjudication is informed by prior performance of service providers</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The prior performance of providers are taken into account when adjudicating bids</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>4</b>	<b>Key performance area:</b> Financial Management – Supply Chain Management
<b>4.4.3</b>	<b>Performance standard name:</b> Logistics management
<p><b>Performance standard definition:</b> Supply Chain Management (SCM) could be described as a business process that ensures that goods, works or services are delivered at the right place quantity, quality, cost and time. <b>Logistics management</b> is the management of inventory and comprises of the issuing of orders, storage of goods, and distribution of inventory, contract management and management of assets.</p> <p><b>Importance of the standard:</b> To encourage municipalities to adopt policies and procedures that promote the principles of efficiency, effectiveness and economy in managing assets, goods held as inventory and /or services rendered.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended,</li> <li>• Municipal Finance Management Act (Act 56 of 2003),</li> <li>• Municipal Supply Chain Management Regulations as published under GN 868 in GG 27636 dated 30 May 2005</li> <li>• MFMA Circular 62 Supply Chain Management: Enhancing compliance and accountability (July 2013)</li> <li>• SCM: A guide for Accounting Officers of Municipalities and Municipal Entities, National Treasury, 2005</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have documented policy/processes for setting inventory levels, placing orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, and contract administration</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality has documented policy/processes for setting inventory levels, placing orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, and contract administration as set out in SCM Regulation 39</li> </ul>	<ul style="list-style-type: none"> <li>Documented policy/process</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality has documented policy/processes for setting inventory levels, placing orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, and contract administration as set out in SCM Regulation 39</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>Municipality implements policy/processes for setting inventory levels, placing orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, and contract administration</li> </ul>	<ul style="list-style-type: none"> <li>Excerpt of 2 most recent consecutive stock-taking reports</li> <li>3 Consecutive reports / records on receiving and issuing of goods</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>Stocktaking is taking place as prescribed in the SCM policy</li> <li>An Inventory system is used (a report reflecting current or recent inventory movement)</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Municipality conducts internal satisfaction surveys to establish satisfaction levels and takes action on the findings</li> <li>Municipality reviews inventory management techniques from time to time, to minimise stock holding costs while ensuring uninterrupted service</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Report on results of internal survey on provider performance</li> <li>Improvement plan based on internal customer survey results</li> <li>Proof of innovative inventory management</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>The existence of the improvement plans based on the findings of the satisfaction survey</li> <li>The existence of innovative inventory management processes to minimise stock holding costs while ensuring uninterrupted service</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4



<b>4</b>	<b>Key performance area:</b> Financial Management – Supply Chain Management
<b>4.4.4</b>	<b>Performance standard name:</b> Disposal Management
<p><b>Performance standard definition:</b> Supply Chain Management (SCM) could be described as a business process that ensures that goods, works or services are delivered at the right place, quantity, quality, cost and time. <b>Disposal management</b> entails the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to section 14 of the MFMA.</p> <p><b>Importance of the standard:</b> To encourage municipalities to adopt disposal techniques which are consistent with MFMA principles of efficiency, effectiveness and economy.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> </ul> <p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended,</li> <li>• Municipal Finance Management Act (Act 56 of 2003),</li> <li>• Municipal Supply Chain Management Regulations as published under GN 868 in GG 27636 dated 30 May 2005</li> <li>• MFMA Circular 62 Supply Chain Management: Enhancing compliance and accountability (July 2013)</li> <li>• SCM: A guide for Accounting Officers of Municipalities and Municipal Entities, National Treasury, 2005</li> <li>• Municipal Asset transfer regulations</li> <li>• National Treasury MFMA: R 878 Local Government: Municipal Asset Transfer Regulations (2008)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality’s SCM policy <b>does not</b> address disposal management as set out in the legislative framework</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>• The municipality’s SCM policy addresses disposal management as set out in the legislative framework</li> </ul>	<ul style="list-style-type: none"> <li>• SCM policy</li> </ul>	<p><b>Moderators verify that:</b></p> <ul style="list-style-type: none"> <li>• The SCM policy addresses disposal management as set out in the legislative framework</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>• The municipality maintains a record of unserviceable, redundant or obsolete assets as part of its asset register</li> </ul>	<ul style="list-style-type: none"> <li>• Extract of the asset register where unserviceable,</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Municipality has a record of unserviceable, redundant</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality considers financial, social and environmental factors in the disposal process as per legislative framework</li> <li>The municipality disposes of its assets obtaining best value</li> </ul>	redundant or obsolete assets are recorded <ul style="list-style-type: none"> <li>2 most recent disposal reports</li> <li>Evidence of disposal of assets obtaining best value i.e. going out to auction</li> </ul>	or obsolete assets <ul style="list-style-type: none"> <li>Disposal reports exist that shows that the municipality considers financial, social and environmental factors in the disposal process</li> <li>The municipality disposes of its assets obtaining best value</li> </ul>	
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The municipality periodically reviews its SCM policy w.r.t. disposal management</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof of SCM policy review w.r.t. disposal management</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>Revisions to the disposal management section of the SCM policy are aimed at addressing issues raised in the disposal reports</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>4</b>	<b>Key Performance Area:</b> Financial Management
<b>4.5</b>	<b>Performance Standard name:</b> The municipality has an appropriate system of financial delegations in place as prescribed by the MFMA
<p><b>Performance Standard definition:</b> 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 in the municipality's financial administration.</p> <p><b>Importance of the Standard:</b> Effective delegations result in improved service delivery through more efficient decision making closer to the point where services are rendered. The workload of the Accounting Officer (MM), CFO and/or BTO manager is better managed therefore enabling them to devote more attention to strategic issues.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Finance Management Act, (Act 56 of 2003) , and MFMA regulations ,</li> <li>• National Treasury Guideline: Modernising Financial Governance: Implementing the MFMA, 2004</li> <li>• MFMA Circular No. 73: system of delegations (2014)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have an appropriate system of financial delegations in place as prescribed by the MFMA</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality has a system of delegations in place as prescribed by the MFMA, but it <b>has not been</b> reviewed and updated since the previous local government elections</li> </ul>	<ul style="list-style-type: none"> <li>Latest version of Delegations document</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality has a system of delegations in place as prescribed by the MFMA, but it <b>has not been</b> reviewed and updated since the previous local government elections</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The municipality has an approved system of financial delegations in place aligned to the MFMA which has been updated after the last local government elections but also if a new municipal manager was appointed, when there was a significant change to the organisational structure due to reorganising or restructuring, or there were significant amendments to municipal policies or legislation</li> </ul>	<ul style="list-style-type: none"> <li>Council resolution approving reviewed delegations</li> </ul>	<b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>That the system of delegation has been reviewed as per the requirements of MFMA Circular 73</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>There is a system in place to monitor implementation and the effectiveness of the system of delegations</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof of monitoring of the effectiveness of the system of delegations</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>There is a system in place to monitor implementation and the effectiveness of the system of delegations</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>5</b>	<b>Key Performance Area:</b> Community Engagement/Participation
<b>5.1</b>	<b>Performance Standard name:</b> Functional ward committees
<p><b>Performance Standard definition:</b> Ward Committees are established and functional</p> <p><b>Importance of the Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Ward committee functionality reports (DCoG)</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa (Act 106 of 1996 and as amended)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Municipal Structures Act (Act 117 of 1998 and as amended)</li> <li>• Guidelines for the establishment and operation of municipal ward committees GN 965 of 2005</li> <li>• National framework: Criteria for determining out-of-pocket expenses for ward committee members (Government Notice 973 of 2009) as per the Municipal Structures Act 117 of 1998</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• <b>Not all</b> ward committees are established</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>• All ward committees are established</li> <li>• All ward committee members have signed a code of conduct</li> <li>• Participatory ward level service improvement plans/ward operational plans have been developed, <b>but not</b> for all wards</li> </ul>	<ul style="list-style-type: none"> <li>• Reports on the establishment of ward committees</li> <li>• Report on whether or not all ward committee members have signed the code of conduct</li> <li>• Report on development of Participatory ward level service improvement plans/ward operational plans</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• All ward committees are established</li> <li>• All ward committee members have signed a code of conduct</li> <li>• Participatory ward level service improvement plans/ward operational plans have been developed, <b>but not</b> for all wards</li> </ul>	Level 2

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality is providing support to its ward committees by providing: <ul style="list-style-type: none"> <li>Access to office space and equipment</li> <li>Technical and administrative assistance through dedicated municipal staff</li> <li>Communication material and community interaction systems and campaigns; and</li> <li>Out-of-pocket expenses for ward committee members</li> </ul> </li> <li>Participatory ward level service improvement plans/ward operational plans have been developed for <b>all</b> wards</li> <li>Participatory ward level service improvement plans/ward operational plans and/or reports are submitted and tabled to the council</li> </ul>	<ul style="list-style-type: none"> <li>Proof that the municipality is providing support to its ward committees</li> <li>Most recent ward committee functionality report</li> <li>3 recent, consecutive minutes of council meetings considering ward plans and/or reports</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The municipality is providing support to its ward committees by providing: <ul style="list-style-type: none"> <li>Access to office space and equipment</li> <li>Technical and administrative assistance through dedicated municipal staff</li> <li>Communication material and community interaction systems and campaigns; and</li> <li>Out-of-pocket expenses for ward committee members</li> </ul> </li> <li>Participatory ward level service improvement plans/ward operational plans have been developed for <b>all</b> wards</li> <li>Participatory ward level service improvement plan/ ward operational plans and/or reports are tabled to council</li> </ul>	Level 3
<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>Registers of complaints, queries and requests from the community are kept and attended to by the ward committees.</li> <li>Ward committees conduct annual satisfaction surveys to assist the committee in the execution of its functions and powers</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>Most recent consolidated register of community complaints, queries and requests per ward</li> <li>Annual ward satisfaction survey report</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Complaints, queries and requests from the community are registered and attended to by the ward committees.</li> <li>That annual satisfaction surveys are conducted by the ward committee and informs ward committee decision making</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>5</b>	<b>Key Performance Area:</b> Community Engagement/Participation
<b>5.2</b>	<b>Performance Standard name:</b> Service Delivery Charter /Service Standards
<p><b>Performance Standard definition:</b>  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 standards of service to expect and what to do if the promised level of service is not delivered.</p> <p><b>Importance of the Standard:</b>  A service delivery charter / service standards expresses a commitment to service delivery in which published standards of service delivery are maintained; the fair treatment of all end-users as customers is encouraged; customers' rights are protected; and relationships with customers are enhanced.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Front line service delivery monitoring reports (DPME) (where available)</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa (Act 106 of 1996 and as amended)</li> <li>• Municipal Systems Act (Act 32 of 2000 and as amended)</li> <li>• Municipal Structures Act (Act 117 of 1998 and as amended)</li> <li>• Batho Pele Handbook - A Service Delivery Improvement Guide (2007)</li> <li>• White Paper on Transforming Public Service Delivery (1997)</li> <li>• The Promotion of Access to Information Act (Act 2 of 2000)</li> <li>• Water services Act (Act 103 of 1997)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>There are <b>no</b> service delivery charter/ service standards in place (setting out the standard of service the municipality is to deliver)</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>There is at least a draft service delivery charter/ service standards in place (setting out the standards of service that can be expected)</li> </ul>	<ul style="list-style-type: none"> <li>Draft service delivery charter/ service standards</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>There is at least a draft service delivery charter/ service standards in place (setting out the standards of service that can be expected)</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The service delivery charter/service standards are approved</li> <li>The municipality display its service delivery charter/service standards and contact details in its customer care centre and publishes these on their website</li> <li>That there is a complaints management system in place that responds to customer complaints queries, concerns and suggestions</li> </ul>	<ul style="list-style-type: none"> <li>Approved service delivery charter/service standards</li> <li>Proof that service delivery charter/service standards and contact details are published and displayed (please provide web addresses for the documents and screenshots of web pages where documents can be downloaded and the addresses of the front office and customer care offices where these can be viewed)</li> <li>Most recent complaints management report</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>Service delivery charter/service standards are approved.</li> <li>The municipality displays its service delivery charter/service standards and contact details in its customer care centre and publishes these on their website</li> <li>That there is a complaints management system in place that responds to customer complaints queries, concerns and suggestions</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>There is a system in place that monitors performance against set service standards</li> <li>Developed service delivery improvement plans</li> <li>Conducted customer satisfaction surveys</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Most recent monitoring report on performance against service standards</li> <li>Service delivery improvement plan</li> <li>Latest Customer satisfaction survey report</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>There is a system in place that monitors performance against set service standards</li> <li>Developed service delivery improvement plans</li> <li>That the customer satisfaction survey was conducted</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4



Standard criteria	Evidence documents	Moderation criteria	Level
	<ul style="list-style-type: none"><li>• Other – please specify</li></ul>		

<b>6</b>	<b>Key Performance Area: Executive Structures</b>
<b>6.1</b>	<b>Performance Standard name:</b> Functionality of executive structures
<p><b>Standard definition:</b> The municipality has functioning and effective executive structures</p> <p><b>Importance of Standard:</b> The municipality has formalised executive structures in place that make strategic decisions, and monitor the achievement of strategic objectives and decisions</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Structures Act (Act 117 of 1998 and as amended) and its regulations</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended</li> <li>• Municipal Finance Management Act (Act 56 of 2003)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The Municipality's executive structures <b>do not</b> have formal, up-to-date terms of reference and meetings do not take place</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>• The municipality has executive structures with formal/ up-to-date terms of reference (examples of structures: Executive Committees, Sec 79 and Section 80 Committees, Mayoral Committee, Municipal Council)</li> <li>• Executive management meetings are scheduled and meetings take place</li> <li>• Meetings are announced and relevant documents are distributed timeously</li> </ul>	<ul style="list-style-type: none"> <li>• Approved terms of reference for the executive structures (or roles and responsibilities) for the executive structures</li> <li>• Schedule of meetings for the current financial year</li> <li>• Attendance registers for the most recent meetings held by these structures</li> <li>• Proof of announcement and</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Executive structures are in place</li> <li>• Approved terms of reference for the executive structures is in place for executive structures i.e.: Executive Committees, Sec 79 and Section 80 Committees, Mayoral Committee, Municipal Council</li> <li>• Meetings are taking place as scheduled</li> <li>• Proof exists that meetings are announced and documents are distributed timeously</li> </ul>	Level 2

Standard criteria	Evidence documents	Moderation criteria	Level
	distribution of documents prior to meetings		
<ul style="list-style-type: none"> <li>Executive decisions are clearly documented and oversight of implementation exercised (i.e. adoption/ approval of policies, by-laws, delegations)</li> </ul>	<ul style="list-style-type: none"> <li>3 most recent consecutive agendas for Council meetings</li> <li>Latest resolutions register containing recommendations from these committees (i.e. adoption/ approval of policies, by-laws, delegations)</li> <li>Annual Report for the previous financial year</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The items of the various committees appear on the Council meeting agendas</li> <li>Resolutions are made in respect of the various committees' recommendations</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>The distinction between political and administrative functions/roles and responsibilities are clearly understood and adhered to (i.e. constitution of Bid Committees, interview panels etc.)</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof that there is clear distinction between political and administrative functions/roles and responsibilities</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>There is distinction between political and administrative functions/roles and responsibilities are clearly understood and adhered to</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>6</b>	<b>Key Performance Area:</b> Governance
<b>6.2</b>	<b>Performance Standard name:</b> Assessment of responses to audit findings
<p><b>Performance Standard definition:</b> Audit findings are addressed to promote good administrative practices and governance</p> <p><b>Importance of the Standard:</b> Audit findings are based on an independent and extensive verification process of the annual financial statements, the 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa of 1996 and as amended</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended</li> <li>• Municipal Structures Act (Act 117 of 1998) and as amended</li> <li>• Municipal Finance Management Act (Act 56 of 2003)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>has not</b> prepared an action plan to address matters raised in the most recent management letter issued by the Office of the AG</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The municipality has prepared an action plan to address matters (financial statements, performance information and/or compliance) raised in the most recent management letter issued by the Office of the AG</li> <li>The audit steering committee meets on a regular basis during the audit cycle</li> </ul>	<ul style="list-style-type: none"> <li>Most recent AG Management letter</li> <li>Audit Action plan against the most recent AG Management letter</li> <li>3 sets of Minutes of Audit Steering Committee reflecting meetings were held throughout the audit cycle of the previous financial year (i.e. one for each of the months of the cycle)</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The municipality has an action plan in place addressing the matters raised in the most recent management letter issued by the office of the AG</li> <li>The audit steering committee meets on a regular basis during the audit cycle</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>The action plan is agreed upon between management and the accounting officer/ delegated authority and responsibilities allocated to relevant managers (aligned to delegations) and timeframes are set</li> <li>Progress against the implementation of the action plan is monitored and verified by Internal Audit, and reported upon to the Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Proof that the action plan was agreed upon</li> <li>Action plan indicating responsibilities for implementation and timeframes</li> <li>Latest Internal Audit verified quarterly progress report</li> <li>3 sets of most recent minutes of the scheduled Audit Committee meetings where progress against the audit action plan is reported</li> <li>Annual Report for the previous financial year</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The action plan is agreed upon, responsibilities allocated and implementation timeframes set</li> <li>Progress against the implementation of the action plan is monitored and reported upon to the Audit Committee</li> </ul>	Level 3

Standard criteria	Evidence documents	Moderation criteria	Level
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Material improvement in the number and/or nature of issues raised in the AG management letter leading to improvements from previous audit opinions or;</li> <li>The municipality is continuously (for at least three years) maintaining an unqualified audit opinion</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Audit reports for three consecutive years up to the most recent</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Material improvement in the number and/or nature of issues raised in the AG management letter leading to improvements from previous audit opinions or;</li> <li>The municipality is continuously (for at least three years) maintaining an unqualified audit opinion</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>6</b>	<b>Key Performance Area: Internal Audit</b>
<b>6.3</b>	<b>Performance Standard name: Assessment of Internal Audit</b>
<p><b>Performance Standard definition:</b> 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.</p> <p><b>Importance of the Standard:</b> 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. Internal Audit activity within municipalities assists the Accounting Officer (MM) and Audit Committee to discharge their responsibilities.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Finance Management Act, ( Act No 56 of 2003),</li> <li>• MFMA Circular No. 65: Internal Audit and audit Committee (2012)</li> <li>• Internal Audit Framework of the National Treasury (2009),</li> <li>• The Institute of Internal Auditors South Africa's (IIASA) International Standards for the Professional Practise of Internal Auditing (ISPPIA),</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> </ul>	

<b>Standard criteria</b>	<b>Evidence documents</b>	<b>Moderation criteria</b>	<b>Level</b>
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have an internal audit unit or shared capacity</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<b>Level 1</b>
<ul style="list-style-type: none"> <li>• The <b>municipality has an internal audit unit/capacity or shared unit</b> (or the unit is co-sourced or outsourced) with suitably qualified, and skilled staff, i.e. <ul style="list-style-type: none"> <li>○ unit head is a certified internal auditor and at least 5 years relevant experience</li> <li>○ internal audit team has diploma's and/or</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Structure and staff profile of internal audit unit (number, rank and qualifications)</li> <li>• Service Level Agreement where the internal audit</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Evidence documents are valid for level 2 <ul style="list-style-type: none"> <li>– i.e. unit head is a certified internal auditor and has at least 5 years relevant experience</li> <li>– i.e. internal audit team has diploma's and/or degrees in internal auditing and relevant</li> </ul> </li> </ul>	<b>Level 2</b>

Standard criteria	Evidence documents	Moderation criteria	Level
degrees in internal auditing and relevant experience (junior level 1 to 2 years and supervisors 3 to 4 years)	service is outsourced	experience (junior level 1 to 2 years and supervisors 3 to 4 years)	
<ul style="list-style-type: none"> <li>The municipality has an annual internal audit plan and an internal audit programme, approved by the Audit Committee for the current financial year that is risk based and monitored quarterly</li> <li>The internal audit unit/ capacity or shared unit has an approved internal audit charter</li> <li>The Internal Audit unit reports quarterly to the Audit Committee on the implementation of the Internal Audit plan/programme in terms of Section 165 2(b) of MFMA</li> <li>The Internal Audit Unit periodically conducts internal assessments in terms of ISPPIA (International standards for the Professional Practise of Internal Auditing) 1311</li> <li>That if required i.t.o. the internal quality assurance review, an improvement plan is in place to address issues</li> </ul>	<ul style="list-style-type: none"> <li>Approved annual internal audit plan for the current financial year</li> <li>An approved Internal Audit programme for the current financial year</li> <li>Approved Internal Audit Charter as accepted by the Accounting Officer and approved by the Audit Committee</li> <li>3 Consecutive progress reports to the Audit Committee in terms of S165 2(b) of MFMA</li> <li>Internal assessment report</li> <li>Improvement plan (if required as per internal quality assurance review process)</li> </ul>	<b>Moderators to verify:</b> <ul style="list-style-type: none"> <li>That the annual audit plan and internal audit programme for the current financial year is risk-based and outlines the internal audit scope, allocate resources to planned audit assignments, establish timing of performance audit assignments and determines reporting requirements and deadlines , and approved by the Audit Committee</li> <li>Internal Audit Charter was approved by the Accounting Officer and the Audit Committee</li> <li>That internal audit reports submitted to Audit Committee members summarises the results of internal audit activities</li> <li>Whether the internal quality assurance review has been conducted to appraise, amongst others, compliance with the IAA Charter, the IAA methodology and compliance with the IIA standards 1311 <b>and note an opinion</b> i.t.o.: 1)Generally conforms to the IIA standards; or 2) Partially conforms to the IIA standards; or 3) Do not conform to the IIA standards</li> <li>That there is an improvement plan in place if required as per the quality assurance review process</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Internal audit unit/capacity or shared unit has been subjected to an external review at least once every 5 years in terms of ISPPIA 1312 and obtained an opinion that generally conforms to ISPPIA 1312 <b>OR</b> the internal audit unit/capacity or shared unit has been subjected to a</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Latest External Quality Assurance Review Report (External 5 year Review) by</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>Internal audit unit/capacity or shared unit has been subjected to an external Quality Assurance which meets the ISPPIA 1312 requirements <b>AND</b> obtained opinion generally conforms to ISPPIA 1312 <b>OR</b> Internal</li> </ul>	Level 4



Standard criteria	Evidence documents	Moderation criteria	Level
<p>National Treasury readiness assessment during the past 5 years <b>OR</b> formally requested this</p> <ul style="list-style-type: none"> <li>• The municipality has a 3 year rolling plan approved by the Audit Committee for the current and two future financials year that is risk based and monitored quarterly</li> <li>• Other – please specify</li> </ul>	<p>the IIASA or other Accredited Assessor which meets the requirements of Standard 1312 <b>AND</b> obtained opinion generally conforms to ISPPA <b>OR</b> NT readiness assessment or proof of request <b>OR</b> proof of formally requested this</p> <ul style="list-style-type: none"> <li>• Approved 3 year rolling plan</li> <li>• Other – please specify</li> </ul>	<p>audit unit/capacity or shared unit has been subjected to a NT readiness assessment during the past 5 years <b>OR</b> formally requested this</p> <ul style="list-style-type: none"> <li>• That the 3 year rolling plan is approved by the Audit Committee</li> <li>• Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	

6	<b>Key Performance Area: Accountability</b>
6.4	<b>Performance Standard name: Assessment of accountability mechanisms (Audit Committee)</b>
<p><b>Standard definition:</b>  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.</p> <p><b>Importance of Standard:</b> To provide assurance on a continuous basis with regard to whether or not set goals and objectives are achieved in a regular, effective and economical manner.</p> <p><b>Possible secondary data sources:</b>  Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Finance Management Act (Act 56 Of 2003)</li> <li>• MFMA Circular 65: Internal Audit and Audit Committee (2012)</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended</li> <li>• Internal Audit Framework of the National Treasury (2009)</li> <li>• Local Government: Municipal Planning and Performance Management Regulations 2001</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality <b>does not</b> have an audit committee or shared capacity in place</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>The municipality has an audit committee or shared service in place constituted in accordance with Section 166 (4) of the MFMA.</li> </ul>	<ul style="list-style-type: none"> <li>Appointment letters for Audit Committee members and/or letters of renewal or extension of contracts</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The Audit committee comprises of at least 3 persons (including chairperson) of whom the majority are not in the employ of the municipality</li> <li>Is appointed by the council of the municipality</li> <li>Letters of appointment and/or renewal or extension of contracts are in place</li> <li>Members are appointed for a minimum of 3 years</li> </ul>	Level 2
<ul style="list-style-type: none"> <li>Audit Committee has an approved Audit Committee Charter which is reviewed annually</li> <li>Audit committee meets as scheduled in the charter</li> <li>Audit committees report back to council at least on a quarterly basis on the operations of the municipality as per the scope of its charter</li> <li>The annual report of the Audit Committee is incorporated as a disclosure in the municipality's annual report</li> </ul>	<ul style="list-style-type: none"> <li>Approved Audit Committee Charter accepted by the Audit Committee and approved by the Municipal Council</li> <li>Schedule of meetings / year planner</li> <li>Approved minutes of last 3 Audit Committee meetings</li> <li>Last 3 consecutive Quarterly Report(s) by Chairperson of Audit Committee to council</li> <li>Annual Report for the previous financial year</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The Audit Committee has an approved Audit Committee Charter which is reviewed annually</li> <li>Meetings are scheduled at least quarterly and that these meetings took place</li> <li>The Chairperson of the Audit Committee reported to the council at least quarterly</li> <li>That the annual report contains the Audit Committee disclosure</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Self-assessments on the Audit Committee's performance and achievements against its charter is conducted on an annual basis</li> <li>The Audit Committee obtains feedback on its performance from stakeholders such as Council, AGSA, management, internal audit function and other relevant</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Audit Committee self-assessment report</li> <li>Consolidated feedback from stakeholders</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The Audit Committee conducted a self-assessment on its performance and achievements against its charter for the previous financial year</li> <li>That the audit committee obtains feedback on its performance from its stakeholders i.e. municipal council,</li> </ul>	Level 4

Standard criteria	Evidence documents	Moderation criteria	Level
stakeholders <ul style="list-style-type: none"> <li>• Other – please specify</li> </ul>		management, Auditor General and internal audit function and other relevant stakeholders <ul style="list-style-type: none"> <li>• Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	

<b>6</b>	<b>Key Performance Area: Ethics</b>
<b>6.5</b>	<b>Performance Standard name: Assessment of policies and systems to ensure professional ethics</b>
<p><b>Standard definition:</b> The municipality has systems and policies in place to promote ethics and discourage unethical behaviour and corruption.</p> <p><b>Importance of Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Systems Act (Act 32 of 2000 and as amended) and Regulations to these Acts</li> <li>• Municipal Structures Act (Act 117 of 1998 and as amended) and its regulations</li> <li>• Municipal Finance Management Act (Act 56 Of 2003) (Chapter 15)</li> </ul>	

<b>Standard criteria</b>	<b>Evidence documents</b>	<b>Moderation criteria</b>	<b>Level</b>
<ul style="list-style-type: none"> <li>• The Municipality <b>has no</b> mechanism or standard of providing / communicating the Codes of Conduct to employees, councillors and traditional leaders identified by the MEC</li> <li>• <b>Less</b> than 25% of Councillors, MM and Section 56 managers completed/ updated their declaration of interest annually</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N/A	<b>Level 1</b>
<ul style="list-style-type: none"> <li>• The Municipality has a mechanism of providing / communicating the Codes of Conduct to employees, councillors and traditional leaders identified by the MEC</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanism of providing Code of Conduct to employees, councillors and</li> </ul>	<p><b>Moderators to verify:</b></p> <ul style="list-style-type: none"> <li>• The existence of a mechanism or standard to provide/communicate the codes of conduct to</li> </ul>	<b>Level 2</b>

Standard criteria	Evidence documents	Moderation criteria	Level
<p>in terms of S81(2)(a) of the Municipal Structures Act</p> <ul style="list-style-type: none"> <li>• <b>At least 75%</b> of Councillors, MM and Section 56 managers completed / updated their declaration of interest annually</li> </ul>	<p>traditional leaders -such as an induction programme</p> <ul style="list-style-type: none"> <li>• List/Report showing number and percentage of declaration of interest completed / updated by Councillors, MM and Section 56 managers annually</li> <li>• Report confirming that new employees / councillors/ traditional leaders received a copy of the Code of Conduct</li> </ul>	<p>employees, councillors and traditional leaders</p> <ul style="list-style-type: none"> <li>• The that at least 75% of declarations of interest has been completed/ updated by councillors, MM and Section 56 managers</li> </ul>	
<ul style="list-style-type: none"> <li>• The municipality provides training on understanding and applying the Codes of Conduct</li> <li>• <b>All</b> Councillors, MM and Section 56 managers complete and update financial disclosures at least annually <b>OR</b> disciplinary action was taken for non-compliance</li> <li>• Council monitors the completion of declarations of interest</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance registers of training conducted</li> <li>• List/Report showing number and percentage of declaration of interest completed by councillors, MM and Section 56 managers</li> <li>• Report on disciplinary action for non-compliance</li> <li>• Proof that Council monitors the completion of declarations of in interest</li> </ul>	<p><b>Moderators to verify:</b></p> <ul style="list-style-type: none"> <li>• That the municipality provides training on understanding and applying the Codes of Conduct</li> <li>• That <b>all</b> Councillors, MM and Section 56 managers complete and update financial disclosures at least annually <b>OR</b> disciplinary action was taken for non-compliance</li> <li>• That Council monitors the completion of declarations of interest</li> </ul>	Level 3
<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>• An analysis of financial disclosures identifies potential conflicts of interests and takes action to address these – and relevant information is shared with SCM unit / other units / committees that need to know i.e. bid adjudication committee</li> <li>• Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>• Document showing that analysis has been done and indicating actions taken</li> <li>• Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Actions to address specific risks emanating from the assessment of the disclosures are appropriate</li> <li>• Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4

<b>6</b>	<b>Key Performance Area: Ethics</b>
<b>6.6</b>	<b>Performance Standard name:</b> Prevention of Fraud and Corruption
<p><b>Standard definition:</b> The municipality has measures and the requisite capacity in place to prevent and combat fraud and corruption.</p> <p><b>Importance of Standard:</b> Combating corruption will improve service delivery, as well as the efficient and responsible use of public resources.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• Latest Auditor General’s report</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Prevention and Combating of Corrupt Activities Act 12 of 2004,</li> <li>• The Protected Disclosure Act 26 of 2000,</li> <li>• Section 195 of the Constitution of the Republic of South Africa of 1996 and as amended,</li> <li>• Local Government Anti-Corruption Strategy (DPLG)</li> <li>• Municipal Finance Management Act (Act 56 Of 2003)</li> <li>• Municipal Systems Act (Act 32 of 2000) and as amended</li> <li>• Public service anti-corruption strategy</li> </ul>	

<b>Standard criteria</b>	<b>Evidence documents</b>	<b>Moderation criteria</b>	<b>Level</b>
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have a fraud prevention plan, and/or an anti-corruption plan, or whistleblowing policy</li> <li>• The municipality <b>does not</b> have the requisite capacity to prevent and combat corruption</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<b>Level 1</b>
<ul style="list-style-type: none"> <li>• The municipality has an approved fraud prevention plan, and anti-corruption plan aligned to the Local Government Anti-corruption strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Approved fraud prevention plan, and anti- corruption plan</li> </ul>	<p><b>Moderators to verify:</b></p> <ul style="list-style-type: none"> <li>• The existence of approved fraud prevention plan, and anti-corruption plan that includes:</li> </ul>	<b>Level 2</b>

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality has an approved whistleblowing policy (separately or part of the fraud prevention and anti-corruption plan)</li> <li>The municipality has the requisite capacity in place to implement the fraud prevention and anti-corruption plans</li> </ul>	<ul style="list-style-type: none"> <li>Approved whistleblowing policy</li> <li>Proof of requisite capacity to implement the fraud prevention and anti-corruption plans (i.e. designation letter / delegations)</li> </ul>	<ul style="list-style-type: none"> <li>Fraud and corruption risk assessment</li> <li>Measures to prevent fraud and corruption</li> <li>Awareness campaigns on the prevention of fraud and corruption</li> <li>To whom and how fraud and corruption should be reported</li> <li>Reporting on investigations</li> <li>The existence of an approved whistleblowing policy</li> <li>The municipality has the requisite capacity in place to implement the fraud prevention and anti-corruption plans</li> </ul>	
<ul style="list-style-type: none"> <li>The municipality is monitoring of the implementation of the fraud prevention, anti-corruption plans and whistle blowing policy</li> </ul>	<ul style="list-style-type: none"> <li>Latest monitoring report on implementation of plans/policies (i.e. number and nature of investigations)</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>The implementation of fraud prevention, anti-corruption plans and whistle blowing policy are being, monitored and reports produced.</li> </ul>	Level3
<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>The municipality applies disciplinary procedures and/or institutes criminal procedures and/or civil procedures where fraud and corruption occur</li> <li>Losses are recovered / dealt with i.e. condoned or written-off</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <ul style="list-style-type: none"> <li>Proof of cases finalised</li> <li>Proof of losses due to fraud and corruption recovered</li> <li>Other – please specify</li> </ul>	<p><b>Municipality is level 3 compliant and i.e.:</b></p> <p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>Disciplinary action is taken and/or criminal procedures and/or civil procedures where fraud and corruption occur are instituted</li> <li>Losses due to fraud and corruption are recovered</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4



6	<b>Key Performance Area:</b> Risk Management
6.7	<b>Performance Standard name:</b> Functional Risk management unit/committee
<p><b>Performance Standard definition:</b> The municipality has established functional risk management structures and has requisite capacity in place to monitor and manage risk.</p> <p><b>Importance of the Standard:</b> 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.</p> <p><b>Possible secondary data sources:</b> Secondary data sources refers to documentation produced by entities external to the municipality – i.e. by provincial-, sector- departments, etc. which may assist moderators to validate assessment scores against the criteria set out in the standard:</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	
<p><b>Relevant legislation, policies, guidelines / circulars:</b></p> <ul style="list-style-type: none"> <li>• Municipal Finance Management Act (Act No 56 of 2003),</li> <li>• Public Sector Risk Management Framework (2010), National Treasury</li> <li>• Chapter 4 of the King III report (2009)</li> </ul>	

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>• The municipality <b>does not</b> have a dedicated Risk management function/capacity and structure in place</li> <li>• The municipality <b>has not</b> conducted a risk assessment for the current financial year</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Level 1
<ul style="list-style-type: none"> <li>• The Municipality has a dedicated risk management function/capacity and structure in place</li> <li>• The municipality has a risk management policy and strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management policy and strategy;</li> <li>• Appointment/Designation letters for risk management function and structure</li> </ul>	<p><b>Moderators to verify that:</b></p> <ul style="list-style-type: none"> <li>• Evidence documents are valid for level 2</li> </ul>	Level 2

Standard criteria	Evidence documents	Moderation criteria	Level
<ul style="list-style-type: none"> <li>The municipality has completed a risk assessment or reviewed its risk register for the current financial year</li> <li>The municipality has a risk management implementation plan approved by the accounting officer</li> <li>Risk management structure monitors and regularly interacts with the audit committee on the implementation of the risk management plan</li> </ul>	<ul style="list-style-type: none"> <li>Terms of reference for the risk management structure</li> <li>Updated risk register</li> <li>Risk management Implementation plan</li> <li>Quarterly progress reports on the implementation of the risk management plan to the audit committee</li> <li>Approved / signed minutes of last 3 consecutive risk management structure meetings</li> </ul>	<b>Moderators to verify that:</b> <ul style="list-style-type: none"> <li>The risk management plan (annual) is signed off by the Chairperson of the risk management structure and accounting officer</li> <li>The municipality has conducted a risk assessment and reviewed the risk management plan for the current financial year</li> <li>There is regular interaction between the risk management structure and audit committee on the implementation of the risk management plan</li> </ul>	Level 3
<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Key decisions are based on a full assessment of associated risks (Risk management adds value by producing information that can inform decision-making) i.e. risk register influences and informs internal audit plan</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <ul style="list-style-type: none"> <li>Proof of risk-adjusted decision-making</li> <li>Other – please specify</li> </ul>	<b>Municipality is level 3 compliant and i.e.:</b> <b>Moderators to assess if:</b> <ul style="list-style-type: none"> <li>Key decisions are based on a full assessment of associated risks (Risk management adds value by producing information that can inform decision-making)</li> <li>Confirm evidence for other initiatives are relevant for added criteria</li> </ul>	Level 4