

# A Framework for Performance Monitoring in the Mafube Local Municipality

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Mini-dissertation accepted in partial fulfilment of the requirements for the degree *Master of Public Administration* at the North-West University

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Graduation: May 2021

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## DECLARATION OF OWN WORK

I Agnes Boniswa Motsitsi, student number 28155289, hereby declare that the mini-dissertation entitled: **A framework for performance monitoring in the Mafube Local Municipality** submitted in fulfilment of the requirements for the degree, Master of Public Administration at the North-West University, is my own work and has never been submitted by me to any university before. I also declare that all sources used have been acknowledged by means of complete references.

I understand that copies of this dissertation submitted for examination will remain the property of the North-West University.

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**Date**

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## **ACKNOWLEDGEMENTS**

I would like to thank God the Almighty for taking me through the whole journey that half the time seemed to be impossible, and for giving me the strength to persevere when I felt like giving up. I would also like to thank the following people who gave me the support and strength to pursue and complete my studies:

- My supervisor, Professor Melvin Diedericks, for his guidance and motivation.
- My mother, Martha Kunene, who always uttered these words of motivation “you are not a quitter and therefore you will finish what you have started and I believe in you”.
- My husband, Daniel Motsitsi, I know it couldn't have been easy to have a wife who is always busy. Thank you for your understanding, for the words of encouragement and for those wonderful breakfasts and lunches you made while I was busy with my research.
- Both my son, Bongane Motsitsi, and my beautiful step daughter, Ayanda Xaba, for their understanding and assistance with the house chores.
- My superior at work, Mr Sello Mokoena, for those consistent motivational sessions and support;
- Finally, I would like to thank the two municipalities who made this research possible. My employer, Metsimahalo Local Municipality for the financial assistance and the time granted off; and the Mafube Local Municipality (locus of the study) for affording me the opportunity to conduct my research through interviews with identified councillors.

**THANK YOU ALL SO MUCH, MAY GOD BE WITH YOU!**

## **ABSTRACT**

Provision of quality basic and municipal services to communities is a priority of the South African government rendered in particular by the local government sphere. Local government is mandated by the Constitution of South Africa, 1996 with the responsibility of ensuring that basic services reach communities in a sustainable and equitable manner. In order to achieve the aforementioned, the local government sphere should manage, review and monitor its performance frequently to ensure that service delivery targets are attained. This is however not always the case, as evident from the high rate of service delivery protests in South Africa (SA) and the negative audit opinions reflected in the Auditor General of South Africa's reports. The Mafube Local Municipality (MLM) is also faced with service delivery challenges due to lack of systems to monitor the implementation of service delivery plans and the budget. It is however necessary for local government to put in place mechanisms which will monitor service delivery improvement plans within municipal boundaries. This study was undertaken to establish the existence or lack of a performance monitoring framework within the MLM which is vital for more effective and efficient service delivery.

A theoretical framework for the management and monitoring of performance in local government was developed by means of this study. The study followed a qualitative research approach, where a comprehensive literature review and an empirical investigation were undertaken, with a case study as the research design. Data was collected by means of semi-structured interviews with chairpersons of portfolio committees and members of the municipal public accounts committee (MPAC) responsible for the provision of oversight over the MLM's performance. The findings of the empirical investigation include amongst others: the existence of an outdated performance management system, a lack of a consequence management policy to provide accountability amongst the officials and politicians at the MLM, a lack of community involvement in crucial matters of the MLM, such as during the development of the performance management system, as well as the annual reporting stage of the MLM; and political interference on administrative matters.

These factors do not create an enabling environment for the MPAC to execute its work adequately.

The study makes relevant recommendations that will assist the MLM on how to improve the monitoring of its performance. This is done by means of the development and presentation of a performance monitoring framework seeking to improve service delivery.

**Key words:** Performance management; performance monitoring framework; local government; Mafube Local Municipality (MLM); service delivery challenges; implementation of service delivery plans; improved performance.

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# CHAPTER 1

## INTRODUCTION TO THE STUDY

### 1.1. ORIENTATION

Local government (LG) is significant amongst the three spheres of government (national, provincial and local) because it is citizens' first line of contact with government (Kraai, Holtzhausen & Malan, 2017:59; SALGA, 2011:4). Therefore, the service delivery outcomes of all three spheres of government are seen and felt at local government level, because citizens believe that their local municipality should be their point of contact for any service delivery issue. O'Toole and Meier (2011:3), posit that the public sector is the core of the apparatus for policy implementation and is responsible for the delivery of quality services to citizens. The Constitution of the Republic of South Africa, 1996 (hereafter called the Constitution) mandates all three spheres of government to provide quality services to citizens. Therefore, the national government (NG) and provincial government (PG) should collaborate in providing LG with the support necessary to facilitate the delivery of quality services that the citizens expect.

Section 152 of the Constitution provides the basis for the development of LG in South Africa (SA). It sets out the objectives of LG, which are to:

- provide democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

Over and above the latter objectives, the Local Government: Municipal Systems Act (MSA) (32 of 2000), provides a framework for local public administration which emphasises that a municipal council must, within the municipality's financial and administrative capacity and having regard for practical considerations, perform the following duties:

- exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the community;
- provide, without favour or prejudice, democratic and accountable government;
- encourage the involvement of the community;
- strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner;
- consult the community about the level, quality, range and impact of municipal services and the available options for service delivery;
- give members of the community equitable access to the municipal services to which they are entitled;
- promote and undertake development in the municipality;
- promote gender equity in the exercise of the municipality's executive and legislative authority; and
- promote a safe and healthy environment in the municipality.

In order for municipalities to succeed in achieving their objectives and duties, municipalities have to operationalise municipal structures, which were established in terms of the Local Government: Municipal Structures Act (117 of 1998). According to the South African Local Government Association (SALGA) Guide of 2011, municipalities are organs of state that consist of the political structures and administrators of the municipality and the community within (that is, residents inhabiting) the municipal area (SALGA, 2011:5). A municipal council is a body consisting of directly or indirectly elected councillors/members. A municipal council is but one of the political structures of a municipality (SALGA, 2011:5). "Municipality" is therefore a much broader concept and a more inclusive collection of institutions or structures than a municipal council. One of the vital structures within the municipality that can assist it with regard to the achievement of municipal objectives and duties is the Executive Committee, which, according to the Local Government: Municipal Structures Act (117 of 1998), should perform the following functions:

- Identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services can be evaluated, including key performance indicators that are specific to the municipality and common to local government in general.

- Evaluate progress against the key performance indicators.
- Review the performance of the municipality in order to improve its economy, efficiency and effectiveness.
- Monitor the management of the municipality's administration in accordance with the policy directions of the municipal council.

The emphasis of the above-mentioned functions is on the role played by councillors in ensuring that the performance of the municipality is monitored frequently to track progress with regard to planned strategic objectives and targets for improved performance within municipalities as required by the Local Government: Municipal Finance Management Act (MFMA) (56 of 2003). The intention of the MFMA (56 of 2003) is basically to ensure sound and sustainable financial management in municipalities and to improve the budgetary process in municipalities by making community involvement compulsory. One of the most important objectives of the MFMA (56 of 2003) is to develop sound financial governance within every municipality to enhance the provision of quality services to the community. This means developing a comprehensive system that clarifies and distinguishes the responsibilities of mayors, councillors and officials, which will ensure that every role player performs according to the expectations.

These objectives are currently not being met by many municipalities in SA, as indicated on the Back to Basics (B2B) Report of Cooperative Governance and Traditional Affairs (GOGTA). It highlights the high number of service delivery protests taking place in SA, which is mainly due to a lack of service delivery within the country's municipalities (COGTA, 2016). Inadequate service delivery is an indication of a lack of proper performance management and performance monitoring by the municipal leadership, be it by the political or administrative leaders (COGTA, 2016). The lack of performance monitoring is the focus of the study, in particular the challenges experienced in monitoring performance of the MLM. "Performance" can be defined as the output and outcomes of the activities in the organisation (Bouckaert, Halligan & Van Dooren, 2015:20). O'Toole and Meier (2011:2) similarly assert that performance is regarded as the achievement of public programmes and organisations in terms of the outputs and outcomes which they produce. O'Toole and Meier (2011:2) further indicate that performance has numerous dimensions, such as efficiency, equity and public satisfaction, which contribute to improved service delivery. The performance of an organisation is influenced by the

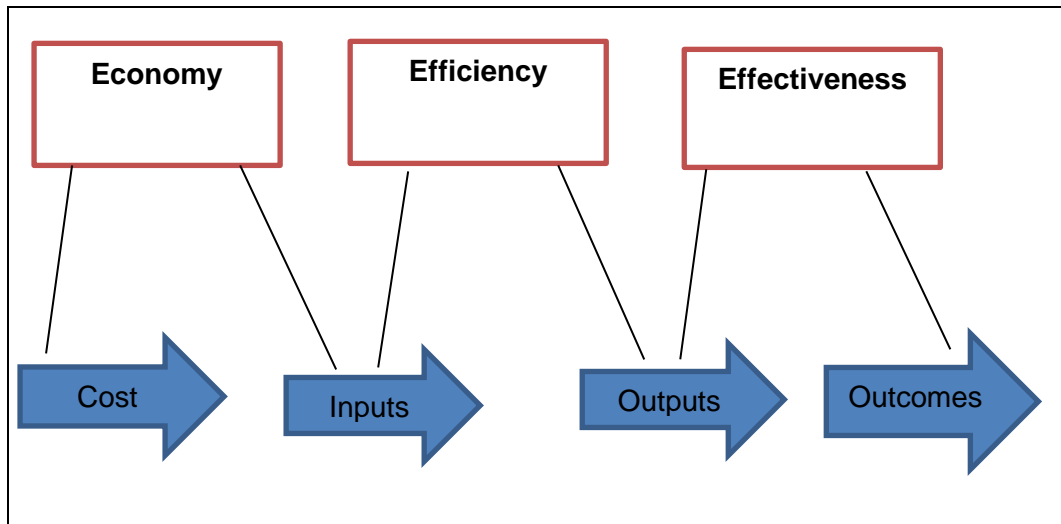
performance management system in place within an organisation, which, according to Jordaan, Ramulumisi, and Schultz (2015:518), is essential, because it is a tool that assists an organisation to focus on managing the individual and the work environment, in order for the individual to achieve organisational goals. It can be deduced from the above-mentioned definitions that the quality of performance of the organisation is contingent on how the planned objectives and targets are managed and monitored to yield the intended results.

Performance management is premised on a monitoring and evaluation system, in terms of which, according to Dlamini and Migiro (2016:377), the implementation of programmes and projects is monitored for effective service delivery in communities within a specific municipal boundary. A performance monitoring and evaluation system is a management tool that facilitates and operationalises functions. The tracking of progress is not limited to management's achievements and the organisation at large, but also ensures that further checks are in place and results are achieved (Dlamini & Migiro, 2016:377). According to Van der Waldt (2004:66), monitoring of performance involves tracking of performance on an ongoing basis, in order to determine whether or not the attainment of objectives is likely to occur. Performance monitoring involves collecting, analysing and reporting on inputs, activities, outputs, outcomes and impacts, as well as external factors, in a way that supports effective management (Presidency, 2007:1). Minnaar (2010:157) also posits that performance monitoring is a continuous process, the purpose of which is to provide an organisation with mechanisms for the early detection of performance deviation, so that it can be dealt with before it has a devastating impact on the measurable performance of the organisation. Minnaar (2010:157) further draws a distinction between monitoring and evaluation. The author defines "monitoring" as the systematic collection and analysis of information with the aim of improving the efficiency and effectiveness of an organisation. Monitoring assists the management to track the organisation's performance and to detect problems. Minnaar (2010:157) defines "evaluation" as a process whereby the actual project impacts are compared to the agreed-upon strategic plans by looking at what the organisation set out to do during the planning phases and what has been accomplished during the implementation phase, as well as how it was accomplished. It can therefore be deduced that the in-year monitoring of performance information is essential, because it focuses the attention of administrators and political leadership on ensuring that performance is measured by comparing the performance of

the municipality against its budget, objectives and targets, as set out in the municipality's strategic plans. The latter are the municipality's Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). An IDP is a municipality's strategic development plan which is designed to eradicate service delivery backlogs, encourage socio-economic development, address spatial development disparities and deliver on the agreed priorities, which are translated into projects with clearly defined outputs and targets that have to be met within a five-year period (COGTA, 2012:10). The IDP thus serves as the principal strategic planning instrument, which guides and informs all planning, budgeting, management and decision-making in a municipality (DPLG, 2000:4; SALGA, 2006:63).

In terms of Circular 13 of the MFMA, the SDBIP constitutes a vital link between the mayor, the council (executive) and the administration, and facilitates the process of holding management accountable for its performance (Treasury, 2005:2; DPLG, 2000). The SDBIP is a management, implementation and monitoring tool that assists the mayor, councillors, municipal manager, senior managers and community to execute their responsibilities in an accountable manner. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for the purpose of monitoring the execution of the budget, the performance of senior management and the achievement of the strategic objectives set out by the council (Treasury, 2005:2). Performance information also assists with informing management of areas where corrective measures are required to improve on the overall performance of the municipality. Lastly, performance information plays a role in budget allocations and is increasingly used to monitor service delivery, and in particular to assist the political leadership in overseeing the implementation of service delivery plans (Treasury, 2007:1). The political leadership's main objective is to ensure that quality services are delivered effectively and efficiently to improve the lives of the communities (Van der Waldt, 2004:120). To ensure the realisation of this objective, service delivery should be provided in a manner in accordance with the Three 'Es' Model, which refers to Economy, Efficiency and Effectiveness. "Economy" refers to the cost of the inputs that are used to produce the outputs; "efficiency" relates inputs to outputs, which refers to the cost of the inputs used per unit of output; and, lastly, "effectiveness" refers to the extent to which the outputs of a programme are successful in achieving the stated objective (Joubert, 2008:35; Van der Waldt, 2006:131). Economy and efficiency measure the extent to which public resources are utilised optimally to

produce outputs, and effectiveness measures the extent to which departmental objectives, programmes or outputs have been achieved through the outputs which they deliver. The Three 'Es', illustrated in the table below are therefore vital interdependent performance concepts for monitoring and measuring service delivery and performance (Joubert, 2008:35).



**Figure 1.1: The Three 'Es'**

**Source:** Joubert (2008:35)

The study explores the Balanced Score Card (BSC) Model as one of the mechanisms that improves the monitoring system within LG. The BSC can be applied as the performance measurement tool, as the system of strategic management, and as the connecting link between the strategic and operational activities. The BSC assists to relate the strategically important initiatives with the real financial results (Kaplan, 2010:23). The Balanced Scorecard is also a tool to improve productivity and is based on compliance with objectives. It is a holistic performance management system carried out to determine the productivity of measurement tools and the conveyance of objectives and visions to the organisation (Balaboniene & Vecerskiene, 2015:317; Kaplan, 2010:23). The focus of the study is on lack of performance monitoring systems within the Mafube Local Municipality (MLM), which is situated within the Fezile Dabi District Municipality (FDDM) in the Free State province. The study provides recommendations on how the performance of the MLM can be improved through a proposed monitoring framework.

## 1.2. PROBLEM STATEMENT

The 2016 Report of the Auditor General of South Africa (AGSA) (2016:1-11) revealed the weaknesses in the internal controls of the MLM Council, which have resulted in a series of disclaimer audit opinions over a period of eight years. Amongst the AGSA's findings, the issue of a lack of adequate performance management and monitoring systems is a recurring concern raised by the AGSA (2016:1-11). The AGSA's findings indicate that there is no monitoring system within the MLM; therefore, the performance of the employees and the organisation as a whole is not monitored, which is in contravention of the MFMA (56 of 2003). Section 52 of the MFMA (56 of 2003) stipulates that the mayor must table quarterly reports in the council, on the implementation of the municipality's budget to enable the council to track the progress of the implementation of service delivery objectives and targets, as indicated in the municipality's IDP. This would enable the council to exercise its oversight role over the municipality's performance, which is defined by Kraai, Holtzhausen and Malan (2017:63) as the active interface between a legislature and the executive and administrative structures responsible for the delivery of the predetermined objectives of government priorities. The oversight role provides the council with insight into the state of affairs with regard to service delivery issues, thereby enabling the councillors to provide communities with service delivery reports, which promote accountability and transparency, as required by the White Paper on the Transformation of the Public Service (1997); (the Batho Pele White Paper). "Accountability" is defined by Kluvers (2003:57) as rendering an account of actions and decisions undertaken. Without adequate accountability, the management of resources can be wasteful and can also result in maladministration and corruption, wherein decisions might be taken in favour of individuals or groups, as opposed to serving the best interests of the citizens (Kluvers, 2003:57). The other finding that is deemed to be crucial and also a recurring concern in the AGSA's Report, is a lack of consequence management for poor performance within the MLM, which results in financial misconduct such as fruitless and wasteful expenditure, and unauthorised expenditure not investigated by the relevant structure, namely the Municipal Public Accounts Committee (MPAC) (AGSA, 2016:8).

The 2016 Annual Report of the MLM reveals that the majority of key performance indicators and targets indicated in the municipality's IDP have not been achieved, due to

an inadequate budget, which resulted in poor performance. Therefore, the municipality is confronted with service delivery challenges culminating in service delivery protests and a negative public perception (B2B Report, 2017:12). The problem that the researcher undertook to research is the lack of monitoring systems related to service delivery within the MLM, which impacts negatively on the MLM. ***Therefore, the intended purpose of the study is to determine how to improve the monitoring of performance within the MLM, by way of investigating the existence or lack of a framework for performance monitoring and proposing a performance framework that would make it possible for the performance of the municipality to be measured, monitored frequently and periodically reported on.*** Performance monitoring should be conducted frequently within municipalities by means of a quarterly reporting process, whereby employees report on progress made against the planned targets and an internal audit is conducted on the municipality's performance. The various council structures, such as the performance audit committee, the risk management committee, the portfolio committees, the municipal public accounts committee and a representative from the AGSA and ultimately quarterly review reports should be tabled in council to also note and track the progress made against the planned objectives and targets which is a requirement of the MFMA (56 of 2003). These mechanisms are not properly implemented at the MLM as required by the MFMA (56 of 2003) hence the negative audit opinions raised over the years by the AGSA.

### **1.3. RESEARCH OBJECTIVES**

The research objectives that the study aims to fulfil are to:

- Establish a theoretical exposition of performance management and, in particular, performance monitoring in local government.
- Analyse the statutory and regulatory guidelines for performance monitoring in local government.
- Establish, through an empirical investigation, the current circumstances and challenges in monitoring of performance within the MLM.
- Provide recommendations on how the overall performance of the MLM can be improved, through a performance monitoring framework.

#### **1.4. RESEARCH QUESTIONS**

In light of the above, the following research questions were formulated for this study:

- What does performance management entail from a theoretical exposition, including performance monitoring in local government?
- What are the statutory and regulatory guidelines for managing performance monitoring in local government?
- What will an empirical investigation reveal about the current circumstances and challenges relating to performance monitoring within the MLM?
- What recommendations can be made that will assist the MLM in terms of performance monitoring, in order to improve its overall performance?

#### **1.5. CENTRAL THEORETICAL STATEMENTS (CTS)**

The following central theoretical statements support the rationale and focus of the study:

Performance should be viewed as achievements of varying significance to different community members, who are the main stakeholders of the municipalities (Bouckaert & Halligan, 2008:2). The Local Government: Municipal Systems Act (32 of 2000) stipulates that municipalities should develop a performance management system (PMS) that is commensurate with their capacity and resources and develop mechanisms for monitoring their performance to track progress regarding the achievement of the intended objectives. Moreover, the system developed should stipulate how the process of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed. An effective performance management system is also seen as a strategic tool to drive internal change and to achieve planned results (Bouckaert & Halligan, 2008:14).

Performance monitoring and evaluation remains a challenge in the MLM, because there is a high level of displeasure emerging from the community due to poor service delivery. The latter is evidenced by the AGSA's Report (2016:1-11), which stipulates that there is a lack of systems in place to monitor the implementation of planned programmes and projects. The dire situation is in contravention of the provisions of Section 152 of the Constitution of SA (1996), which defines one of the objectives of local government as being to ensure the provision of services to communities in a sustainable manner.

Christensen and Perry (2015:335) argue that “knowing how well one is doing is a basic need of management for a municipality. If one does not know what the score is, then one cannot tell whether changes or improvements are required or not”. Performance monitoring is regarded as a tool used to track achievements, and ensures that outputs are achieved and that resources are channelled in the right direction (Dlamini & Migiro, 2016:377; Treasury, 2011). The quarterly monitoring of strategic plans provides the leadership with a strategic agenda and focus on progress in terms of the key priorities of the municipality, as set out in the municipality’s IDP. Akhalwaya, Engela, Gasa, Goldman, Leon, Mketi, Mohamed, and Phillips (2012:41) concur with the above and contend that the introduction of monitoring and evaluation (M&E) provides the leadership with the luxury of adequate planning, where inputs, activities and outputs are linked to produce the intended outcomes. The authors further highlight that the emphasis on measuring results can be regarded as a catalyst for change within the organisations, whereby improvement plans focusing on measurable results are put in place in order to improve the organisational performance.

## **1.6. THEORETICAL APPROACHES TO PERFORMANCE MONITORING AND EVALUATION**

This study was informed by a number of theories that are applicable to monitoring of performance within an organisation. These theories are outlined in the following sections.

### **1.6.1. The Balanced Scorecard (BSC) Model**

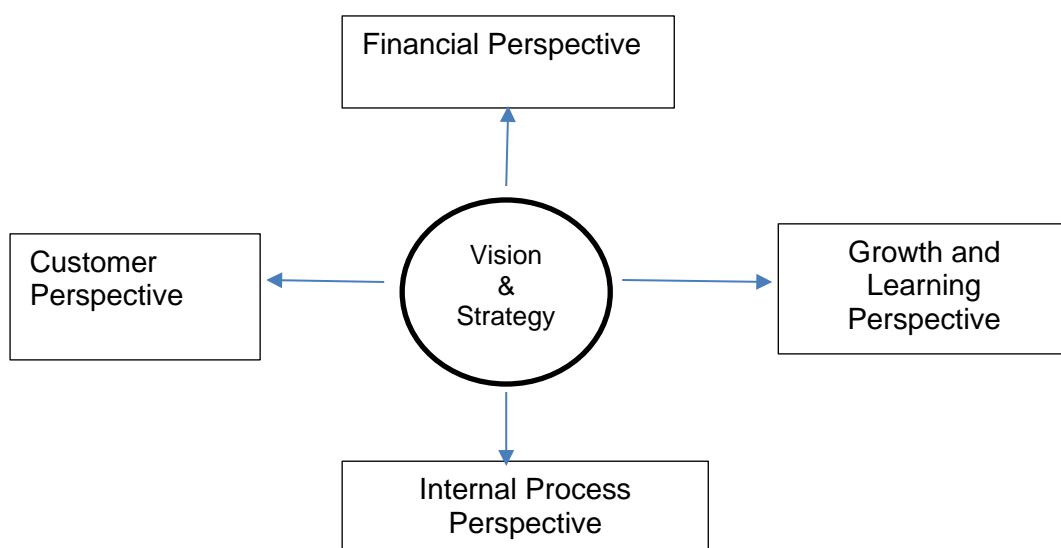
The BSC was initially designed by Kaplan and Norton for the private sector. However, it was adopted by non-profit making organisations and public sector enterprises (Kaplan, 2010:23). The BSC turns the organisation’s mission and strategy into a comprehensive set of performance tools and creates a strategic measurement system. Traditionally, the majority of organisations measured their corporate activity by analysing financial aspects; however, financial tools cannot generate a balanced image of the critical success factors of any organisation, mainly because the financial measurements tend to measure the past.

The balanced scorecard is based on four core perspectives:

1. Financial objectives – How will we look to our employees?

2. Perspective of users – How do we look to our customers?
3. Internal processes – Which internal processes do we have to improve?
4. Learning and growth – How can the organisation learn and improve?

The BSC can be applied as a performance measurement tool, as a system of strategic management, and as the connecting link between the strategic and operational activities. It helps to relate strategically important initiatives with the real financial results. The BSC is based on compliance with the objectives as the tool to improve productivity (Balaboniene & Vecerskiene, 2015:317; Kaplan, 2010:23).



**Figure 1.2: Kaplan and Norton's Balanced Score Card**

**Source:** Department of Provincial and Local Government Guidelines (2001:28)

This model also focuses on whether:

- The strategy and policy are correct;
- Resources are spent appropriately;
- Internal processes yield results; and
- The impact on the society.

The model relies on customer surveys as measurement tools.

### **1.6.2. Goal Setting Theory**

This theory is premised on two cognitive determinants of behaviour, which are values and intentions (goals). Goal Setting Theory asserts that goals direct attention and action amongst employees by motivating employees to develop strategies that will enable them to perform at the required goal levels. According to Lunenburg (2011:1), goals have a pervasive influence on employee behaviour and performance in organisations and management practices. Therefore, organisations are encouraged to put in place some form of goal setting programmes such as management by objectives (MBO), high-performance work practices (HPWPs), management information systems (MIS), benchmarking, stretch targets, as well as systems thinking and strategic planning. All of these programmes include the development of specific goals for an organisation (Lunenburg, 2011:1). Goal Setting Theory asserts that individuals who are provided with specific, difficult but attainable goals perform better than those given easy, nonspecific, or no goals at all. At the same time, however, the individuals must have sufficient ability, accept the goals, and receive feedback related to performance (Lunenburg, 2011:1).

### **1.6.3. Contingency Theory**

This theory is premised upon the proposition that an organisational outcome is the consequence of a "fit" or match between two or more factors and defines and explains fit in three ways which are: selection, interaction and systems approach. Contingency Theory encourages organisational performance to integrate different elements such as fit between organisational environment, strategy, structure, systems, style and culture (Van de Ven & Drazin, 1985:1). The Contingency Model of Accounting Innovation posits that the interactions between four modules explain change: stimuli, structural variables of information users, structural variables of information producers, and implementation barriers (Christensen & Yoshimi, 2003:79).

## **1.7. RESEARCH METHODOLOGY AND DESIGN**

Research methodology is defined as the general approach that the researcher undertakes when executing a project (Leedy & Ormrod, 2013:7). Mnguni (2018:17) also describes research methodology as a systematic investigation of material and sources to

uncover facts and to ultimately reach conclusions. The research methodology undertaken for the study includes the research design, literature review, population and sampling, the instruments of data collection and data analysis of the study, which are outlined in the following paragraphs.

A qualitative research design was selected for the study. Such a design is described as a set of complex interpretive practices, which as constantly shifting historical formation, embraces tensions and contradictions, including disputes over its methods and the form its findings and interpretations would take (Ravitch & Carl, 2016:7). According to Leedy and Ormrod (2001:148), the purpose of qualitative research is to determine the nature of certain situations, settings, processes, relationships, systems or people. It enables the researcher to gain insight into the nature of a particular phenomenon, develop new concepts or theoretical perspectives on a particular phenomenon, and discover the problems that exist within the phenomenon. Qualitative research also enables a researcher to test the validity of certain assumptions, claims, theories or generalisations within real-world contexts. Lastly, qualitative research provides a means by which a researcher can judge the effectiveness of particular policies, practices or innovations (Leedy & Ormrod, 2001:148).

### **1.7.1. Research design**

The aim of qualitative research is to elicit, analyse and understand the views of the participants (Flick, 2015:97). According to Creswell (2011:177), qualitative research is interpretative, with the inquirer typically involved in a sustained and intensive experience with the participants. Gaining entry to a research site and the ethical issues that might arise are also considerations (Creswell, 2011:177).

Qualitative methods were selected for the proposed study to understand the performance monitoring procedures in the MLM, as well as the challenges that the council is facing in the monitoring of performance. Semi-structured interviews were conducted with the municipal councillors of the MLM, with the focus being on the chairpersons of the portfolio committees, established in terms of Section 80 of the Local Government: Municipal Structures Act, (117 of 1998) and members of the municipal public accounts committee (MPAC), established in terms of Section 79 of the Local Government: Municipal Structures Act, (117 of 1998). The study made use of audio-recordings, to enable the

researcher to refer back to them in order to ensure accuracy and proper analysis of the data collected through qualitative research. The qualitative research approach was selected for the study because it provides a more personal touch to the research, and it also makes it possible to ask the participants open-ended questions, after which follow-up questions can be posed. Qualitative research also allows for more intense non-verbal communication, through which detailed information can be obtained from the participants.

The design of this study *inter alia* includes a literature review, semi-structured interviews, data collection and analysis. This is subsequently discussed.

### **1.7.2. Literature review**

A literature review entails reviewing what other scholars have already determined about the research topic and discovering theories that relate to the research topic. It also enables one to determine whether there are gaps in the existing body of knowledge which the researcher might seek to fill (Babbie, 2007:95). Flick (2015:60) posits that a literature review does not only include reading what has already been published about the field of the study, but also enables the researcher to identify methods that can be utilised in the study.

There are differing sources for research, namely primary and secondary sources. The distinction is that a monograph about a theory is regarded as a primary source, while a textbook summarising the various theories in a field or an overview of the research in a field is regarded as a secondary source (Flick, 2015:60).

Both primary and secondary literature were explored in this study to establish good practices with regard to how the municipalities should facilitate, manage and monitor their performance. Sources such as books, journals, the municipality's annual report, the performance management policy, the municipality's service delivery and budget implementation plan (SDBIP), performance contracts of the senior managers and other reports from government departments, such as the South African Local Government Association (SALGA) and Cooperative Governance and Traditional Affairs (COGTA), and the Auditor General's reports and guidelines, were also explored. The relevant legislative frameworks and regulations governing performance and performance monitoring, such as the Local Government Municipal Systems Act, the Municipal Finance Management

Act, the Local Government Planning and Performance Management Regulations and the Batho Pele White Paper amongst others, were also consulted.

A search at the North-West University's Libraries' (Vaal Triangle Library and Ferdinand Postma Library), computer databases was conducted to ascertain the availability of relevant material for the purpose of the study, including:

- Journals.
- Books.
- Articles.
- Catalogue of Theses and Dissertations.

### **1.7.3. Population and sampling**

According to Kromrey (cited by Flick, 2015:100), the population is the mass of individuals to which the statements of the study will refer and which has to be delimited unambiguously beforehand with regard to the research question and the operationalisation. The term "population" means all members that meet a set of specifications or specified criteria. A single member of any given population is referred to as an element. Sampling can be described as a process of selecting participants for the research with the purpose of making generalisations regarding the population (Burger & Silima, 2006:656). Furthermore, "population" is defined by Bless and Higson-Smith (2006:99) as the set of elements that the research focuses upon and to which the results obtained by testing the sample should be generalised.

According to Neuman (2011:240), when researchers sample, they select some cases to examine in detail and then use what they learn from them to understand a much larger set of cases. The logical aim of choosing a qualitative sample in a qualitative research study is to sample aspects of the social world and also to gain in-depth knowledge either about a situation, event or episode, or about various aspects of an individual on the assumption that the individual is typical of the group and hence will provide insight into the group (Kumar, 2014:228).

Researchers use two primary sampling techniques: probability sampling and nonprobability sampling. With probability sampling, a researcher can specify the probability of an element ('participant') being included in the sample. With nonprobability

sampling, there is no way of estimating the probability of an element's being included in a sample (Kumar, 2014:228). The total population for the study was seventeen (17) MLM councillors tasked with oversight responsibilities in terms of performance monitoring. The selected target population for the study comprised of four (4) chairpersons of the portfolio committees and three (3) members of the municipal public accounts committee (MPAC). The participants were selected purposively with non-probability sampling techniques and comprised of a small number of cases. The criterion was their relevance to the study due to their knowledge of the topic, on account of the fact that they are tasked with overseeing the provision of service delivery within the MLM.

#### **1.7.4. Data collection**

Semi-structured interviews were conducted to collect data from the participants. Flick (2015:140) outlines the various forms of interviews, such as semi-structured interviews, in which an interview guide is followed, with questions that can be answered more or less openly and extensively (Flick, 2015:140). Expert interviews and narrative-based interviews, in which the focus is on inviting interviewees to recount their life histories; and lastly, focus groups, which involve groups rather than single participants are also forms of interviews. For the purpose of this study, the data was collected by means of semi-structured interviews with the MLM councillors. The semi-structured interviews were guided by open-ended questions to facilitate the spontaneous sharing of information. In addition, the aim of the interviews was to gather data on the challenges that the MLM experiences with regard to the monitoring of performance and the challenges that the councillors come across when discharging their oversight role on the overall performance of the MLM. Semi-structured interviews were selected due to their flexibility with regard to the provision of brief information, including the participant's non-verbal communication.

#### **1.7.5. Data analysis**

In qualitative research, data analysis mainly involves the interpretation of interview statements, events or actions documented in field notes made from observation (Flick, 2015:82). It involves the systematic recording and analysis of the content of a communication medium (Neuman, 2011:49). Qualitative data analysis was undertaken in this study, whereby the data collected in the semi-structured interviews was examined, sorted, categorised and compared. Recorded data was also reviewed to discern the

meaning of the views provided and to draw conclusions that would assist the researcher to achieve the objectives and answer the research questions of the study.

#### **1.7.6. Limitations of the research**

Monitoring of performance in the public sector is a key and sensitive subject to discuss, especially in local government, since it is a politically orientated environment and concerns dealing with public resources (Kraai, Holtzhausen & Malan, 2017:59). The quality of services delivered serve as evidence of the quality of the performance of the political party that is governing, which can result in the participants not being willing to cooperate fully in the interviews. Considering the sensitivity of the subject matter, one could not guarantee that adequate data would be collected during the empirical investigation. However, the researcher took all the necessary precautions to ensure that sufficient, reliable and accurate data was collected for the study. Moreover, time constraints had an impact on the availability of some of the participants earmarked for the interviews. However, an attempt was made to work around such time constraints to ensure that the desired output was achieved, which was to gather accurate and reliable data that would contribute to the development of a framework for performance monitoring at the MLM.

#### **1.8. ETHICAL CONSIDERATIONS**

The rights of the organisation in which the research was conducted were protected by obtaining a consent letter from the MLM accounting officer. The participants were informed of the research objectives to curb any anxiety that might arise amongst them. Appointments with the participants were also made at a time that was convenient for them so as not to cause conflict with their daily duties. Ethics regarding their anonymity and confidentiality were also considered when engaging with the participants. In this regard they were assured that their opinions and views would be secured and protected against unauthorised access and would only be used for the purpose of the research study - nothing else. Semi-structured interviews were audio-recorded and as a result, consent was sought from the participants to make use of a recording device when conducting the interviews.

## **1.9. SIGNIFICANCE OF THE STUDY**

The provision of quality services to communities is a prerequisite of local government as mandated by the Constitution of SA (1996). Therefore, municipal councillors should play an oversight role in ensuring that the performance of municipalities is monitored to give effect to the provision of quality services to communities. Performance monitoring of service delivery plans assists in establishing a culture of quality performance in which business ethics and values are maintained.

Performance monitoring also encourages good governance by councillors and enables the culture of an organisation to comply with legislation as it works towards the delivery of quality services with honesty and impartiality (Matiwane, Okafor & Onuigbo, 2015:64).

The study highlights the challenges experienced by the MLM with regard to the monitoring of its performance which result in poor service delivery. Recommendations on how the performance of the MLM can be improved, through the introduction of an effective performance monitoring framework, was an aspiration of the study. Furthermore, the development of the proposed performance monitoring framework for the MLM could assist the municipality to detect shortcomings that might impact the performance of the municipality in time to implement improvement measures.

## **1.10. CHAPTER LAYOUT**

The study is structured according to the following chapter layout:

### **Chapter 1: Orientation and Problem Statement**

The research problem, rationale for the study and the locus of the study are presented in this chapter. The chapter also sets out specific research objectives and research questions for the study. Furthermore, a synopsis of the research approach and the methodology followed for the study, as well as the chapter layout, are provided in this chapter.

## **Chapter 2: A theoretical exposition: Performance Management and Performance Monitoring**

The chapter comprises a theoretical exposition for performance management, and in particular, performance monitoring in local government. In addition, the chapter provides an overview of a BSC as one of the models for performance monitoring in local government. Finally, a review of performance theories that are relevant for the study is undertaken and presented in this chapter.

## **Chapter 3: Statutory and regulatory guidelines for Managing Performance Monitoring**

In this chapter, the statutory and regulatory guidelines relevant for performance management and performance monitoring and evaluation in local government are analysed. Furthermore, policies and frameworks pertaining to performance monitoring are also explicated.

## **Chapter 4: Empirical research: Results and findings**

In this chapter, the current circumstances and the challenges relating to performance monitoring within the MLM are established through an empirical investigation. Results obtained through semi-structured interviews with MLM councillors are assessed against the theoretical exposition and the statutory and regulatory guidelines for performance monitoring. Furthermore, the findings of the study are revealed and presented in this chapter.

## **Chapter 5: Conclusion and recommendations**

The chapter comprises a summary of the study and based on the findings, recommendations considered useful to improve the monitoring of performance at the MLM are presented. Furthermore, a proposed performance monitoring framework for the MLM is presented in this chapter.

## **CHAPTER 2**

### **A THEORETICAL EXPOSITION: PERFORMANCE MANAGEMENT AND PERFORMANCE MONITORING**

#### **2.1. INTRODUCTION**

Chapter 1 provided an overview on the aims and objectives of the study. A municipality needs to put in place a performance monitoring system to serve as a tool to monitor the implementation and attainment of the municipality's objectives and targets. The latter will contribute to a great extent to improved service delivery, thus conforming to the provision of the Constitution (1996:74).

In this chapter, the focus is placed on a theoretical exposition of performance management and performance monitoring. A conceptualisation of performance management and performance monitoring is provided. The chapter also provides the significance and purpose of performance monitoring in local government, and the different role players in monitoring performance were explicated. In addition, the chapter seeks to establish the characteristics of a performance monitoring framework within the South African context and in other countries, with a view to compare and draw lessons from other monitoring frameworks that exist. Furthermore, the chapter provides an overview of the Balanced Score Card (BSC) Model as one of the models for monitoring performance. Finally, the chapter concludes with the review of theories that are relevant in the area of performance management and performance monitoring.

#### **2.2. CONCEPTUALISING PERFORMANCE MANAGEMENT AND PERFORMANCE MONITORING**

When conceptualising performance management and performance monitoring, it is pivotal that performance be clearly understood. Performance can be defined as the output and outcomes of the activities in the organisation (Bouckaert, Halligan & Van Dooren, 2015:20). O' Toole and Meier (2011:2) contend that performance can be regarded as the achievement of public programmes and organisations in terms of the outputs and

outcomes that they produce. O' Toole and Meier (2011:2) further illustrate that performance can be considered to have numerous dimensions such as efficiency, equity and public satisfaction which contribute to improved service delivery. Mayne and Zapico-Goni (2017:5) argue that a well-performing public programme or service is one that is providing, in the most cost-effective manner, intended results and benefits that continue to be relevant, without causing undue unintended effects. Performance of an organisation will be influenced by the performance management system in place within an organisation, which according to Jordaan, Ramulumisi, and Schultz (2015:518) is essential, as it is a tool which assists an organisation to focus on managing the individual and the work environment in order for the individual to achieve the organisational goals.

According to Bourne, Santos, Micheli, and Pavlov (2017:1), performance management is a collection of management processes supported and enacted through the use of tools and techniques such as scorecards, measures, targets, performance reviews and incentives that are developed centrally and cascaded throughout the organisation. Performance management is defined by Baumann, Schleicher, Sullivan, and Yim (2019:851) as a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organisation. Performance management is further explained by SALGA (2019:18) as the management tool through which a municipality can plan, manage, monitor and review the performance of the municipality and its employees to measure the progress made in achieving the objectives set out in the municipality's Integrated Development Plan (IDP) and further measure the efficiency, effectiveness and impact of its service delivery. It can be deduced from the above-mentioned definitions that performance management includes an individual's and a team's commitment channelled towards attainment of the organisation's objectives as set out in the organisation's strategic plan.

Performance management is preceded by a monitoring and evaluation system, in which, according to Dlamini and Migiro (2016:377), programmes' and projects' implementation are monitored for effective service delivery amongst communities within a specific municipal boundary. A performance monitoring and evaluation system is a management tool which facilitates and operationalises functions, and it also contributes to developmental programmes. Tracking of progress is not limited to management's achievements and the organisation's at large, but also ensures that further checks and

results are met (Dlamini & Migiro, 2016:377). According to Van der Waldt (2004:66), monitoring of performance involves tracking of performance on an ongoing basis in order to determine whether or not the attainment of objectives is likely to occur. Performance monitoring involves collecting, analysing and reporting data on inputs, activities, outputs, outcomes and impacts, as well as external factors, in a way that supports effective management (Presidency, 2007:1). Mayne and Zapico-Goni (2017:5) contend that performance monitoring includes any management system that measures some aspect of performance, whether on a relatively ongoing basis as is the case for most performance measurement systems, or on a more periodic basis, as occurs with policy and programme evaluations, and with audits. Minnaar (2010:157) maintains that performance monitoring is a continuous process which aims to provide an organisation with a mechanism for early detection of performance deviation, so that it can be treated before it has a devastating impact on the measurable performance of the organisation. Minnaar (2010:157) further draws a distinction between monitoring and evaluation and defines monitoring as a systematic collection and analysis of information as a project process which is aimed at improving the efficiency and effectiveness of an organisation. It assists the management to track the organisation's performance and to be able to detect when things are going wrong. Minnaar (2010:157) defines evaluation as a process whereby comparison of actual project impacts against the agreed strategic plans is undertaken by looking at what has been set out to do during the planning phases and what has been accomplished during the implementation phase and how it was accomplished. It therefore can be deduced from the above comparison, that the in-year monitoring of performance information is essential to focus the attention of administration and political leadership in ensuring that performance is measured by comparing the performance of the municipality against its budget, objectives and targets, as set out in the municipality's IDP and the Service Delivery and Budget Implementation Plan (SDBIP).

Kariuki and Reddy (2017:3) explain the relationship between monitoring and evaluation and posit that conceptually, monitoring and evaluation are complementary activities and that, while monitoring is a routine activity that assesses an intervention's progress towards the realisation of its goals, evaluation is an in-depth assessment of its value that seeks to determine the reasons for the observable effects of a programme. Therefore, monitoring and evaluation reinforce each other. This is shown in Table 2.1 below (Kariuki & Reddy 2017:3).

**Table 2.1: Complementary roles of monitoring and evaluation**

<b>Monitoring</b>	<b>Evaluation</b>
It is continuous – analysis on the ongoing progress of a project towards achieving planned results.	It is periodic – judging the overall merits of an intervention.
Ensures accountability of an intervention.	Relies more on detailed data for decision-making.
Routinely collects data on indicators.	Assesses the contributions of activities to results.
Translates programme objectives into performance indicators, capturing planned results as well.	Captures both intended and unintended results.
Conducted by people usually involved directly in implementing an intervention.	Conducted usually by an independent assessor who is impartial in his or her judgement of an intervention.
Produces regular reports and updates for management and project staff.	Produces evaluation reports with suggested recommendations for changes to an intervention.

**Source:** Kariuki and Reddy (2017:3).

**2.3. THE SIGNIFICANCE AND PURPOSE OF PERFORMANCE MONITORING**

The Constitution, 1996 mandates local government with the responsibility of providing communities with quality services in a sustainable manner and providing democratic and accountable government for local communities. Furthermore, Section 38 of the Local Government: Municipal Systems Act (32 of 2000) compels each municipality to put in place mechanisms which will monitor its performance to ensure that service delivery targets are attained. Monitoring and evaluation systems (M&E) serve as a crucial management tool, as they facilitate and improve managerial functions, whereby management’s achievements and the organisation’s at large are tracked periodically and they ensure that further checks and results are met and that resources are channeled in the right direction (Dlamini & Migiro, 2010:377). Dlamini and Migiro (2010:380) argue that performance monitoring and evaluation (PM&E) promote a culture of accountability amongst political structures, office bearers and councillors, while administering the affairs in which local government performs in an economical, efficient and accountable manner. PM&E serves as the knowledge production base that enables government entities to develop a knowledge base on the types of projects, programmes and policies that have

the potential to succeed and the ability to further assess their shortfalls. Government's major challenge is to become more effective, therefore monitoring and evaluation (M&E) processes assist government in evaluating its performance and identifying the factors which contribute to its service delivery challenges (SALGA, 2019:135). A performance monitoring system's purpose is to provide management with beacon lights for steering the service organisation's course. To steer a course implies a destination or a sense of direction, and in organisational terms, destinations and directions are described by goals and objectives (Altman, 2019:38). Performance monitoring is crucial in ensuring that there is continuous community engagement between local government and its public and therefore promotes the attainment of service delivery objectives as explained below.

### **2.3.1. Management decision-making**

M&E tools can be used to support policy-making, especially budget decision-making and national planning. These processes focus government priorities amongst competing demands from citizens and groups in society. M&E information can also support government deliberations by providing evidence about the most cost-effective types of government activity. M&E provides the government with the essential evidence necessary to underpin strong accountability relationships, such as those of government to Parliament, to civil society and to donors. Most importantly, M&E promotes accountability between the government and the public, which in turn can provide powerful incentives to improve performance (SALGA, 2019:130).

The M&E system is uniquely orientated towards providing its users with the ability to draw causal connections between the choice of policy priorities, the resourcing of those policy objectives, the programmes designed to implement them, the services actually delivered and their ultimate impact on communities and government strategies, programmes and projects. It assists with providing an evidence base for public resource allocation decisions and assists to identify how challenges should be addressed. The latter is explained by Lukwago, Mushemeza, Ssemakula, Tamale, and Tumushabe, (2010:16) from Uganda, who denote that the most comprehensive and systematic process of monitoring the performance of local government in Uganda is undertaken by the Ministry of Local Government (MoLG) who undertakes an annual national assessment of minimum conditions and performance measures for local government. The results from the assessment of minimum requirements are used to determine the local government's

ability to access Conditional Grants, especially the Local Development Grant and the Capacity Building Grant. The MoLG receives funding from different development partners for the implementation of the Local Government Sector Investment Plan, part of which is committed to funding the annual national assessment exercise. Local governments that perform well are rewarded with a 20% increase in funding, while local governments that perform poorly are penalised with a 20% reduction of allocation.

In addition, Lukwago *et al.* (2010) argue that the Ugandan local government's monitoring system focuses mainly on financial management, particularly to determine local government's ability to access conditional grants. However, performance monitoring and accountability to achieve effective delivery of public service and deepen governance must go beyond financial management. The authors further contend that local governments (particularly district councils, the chairperson, speaker and councillors) should also be assessed on governance issues such as political leadership, legislation, supervision of lower local governments (oversight), representation role, inter-local government exchange collaboration, and participation in communal and development projects. It can be deduced that without performance monitoring, organisations would experience difficulties when making decisions and thus performance monitoring assists organisations to a large extent to make decisive decisions for the benefit of the community which they serve.

### **2.3.2. Organisational learning**

Mizrahi (2017:60) argues that rather than changing behaviour through incentives, performance management should concentrate on learning from the data gathered. Public officials obtain symbolic gains from introducing performance management systems in their organisations, and they may also evaluate performance information for learning purposes. Rather than using the data as a stick with which to beat employees, managers would be better served by using the information to consult with employees about how their performance could be improved (Mizrahi, 2017:60). Akhalwaya *et al.* (2012) concur with the sentiments of Mizrahi and add that performance monitoring emphasises learning rather than a punitive approach, so as to build M&E culture amongst employees within the public sector. Today the government is operating in increasingly complex social and economic situations of constant change where to be effective, managers must respond with informed decisions. Managers and other staff should be empowered to be able to

make decisions, and in order to do that, reliable and accurate performance information generated from M&E systems is required. Empowerment provides the opportunity to manage and be in control. Performance information provides the practical means to manage and be in control (Mayne & Zapico-Goni, 2017:12). Bauman and Schleicher (2019:876) argue that multifaceted learning, by both employees and managers, is an expected outcome of performance monitoring, yet one that has never been fully articulated in extant models. The results of M&E should be utilised by the employees and managers to learn and gain knowledge, skills, attitudes and motivation for improvement plans. This necessarily includes both learning things about the performance monitoring system itself (strength and weaknesses of the system) and knowledge about oneself which is generated from performance appraisals and feedback meetings.

M&E results assist the organisations to go back to the drawing board and determine which performance indicators are relevant and measurable to ensure the attainment of service delivery targets and objectives. Mayne and Zapico-Goni (2017:23) argue that indicators of effectiveness are usually more relevant, but their measurement is often more difficult or less accurate. A pragmatic balance is necessary and depends on the opportunities and challenges of each organisational situation. The appropriate balance depends on two preliminary questions: Why do we want performance monitoring (what is it to be used for)? Which type of performance indicators should we have, under what circumstances? Specific lessons learnt from the M&E experience help organisations to reduce resistance to the introduction of performance indicators and facilitate their refinement through a learning process. Learning makes it possible to explore appropriate improvement measures promoting the attainment of service delivery targets and objectives such as (Mayne & Zapico-Goni, 2017:23):

- Involvement of service providers and recipients of public services in identifying and selecting meaningful performance criteria of success.
- Selectivity in adopting a parsimonious number of indicators.
- Sampling to reduce costs and balancing of performance indicators to capture the variety of perspectives of stakeholders and to cover multiple or conflicting objectives.
- Consistency and comparability of definitions used to produce indicators.

- Controllability of the measure by the agency being monitored. The measure should represent factors that are not beyond the manager's influence.
- The need to continuously update the performance-indicator system. Performance-indicator development requires a meaningful review and strategy for changing indicators to maintain their significance when appropriate.

### **2.3.3. Accountability and transparency**

A decline in the expected delivery of various development projects and programmes within South Africa and the high level of displeasure emerging from communities by way of community protests due to poor service delivery levels compelled the South African government, through the Presidency, to introduce the Government-Wide M&E System with the aim of ensuring that there is improvement of accountability within the public sector (Akhalwaya *et al.*, 2012:41). The rationale for the development of the Government-Wide M&E System is to ensure that accurate and reliable information on progress in the implementation of government and other public sector programmes is collected and updated on an ongoing basis. Furthermore, information on the outcomes and impact achieved by government and other public bodies is periodically collected and presented, and finally the quality of monitoring and evaluation practices in government and public bodies is continuously improved (Ajam & Engela, 2010:4). In addition, the Local Government: Municipal Finance Management Act (56 of 2003) also compels municipalities to provide accountability for each and every activity and task performed, particularly with regard to the management of funds.

According to Kluvers (2003:57), accountability has been defined in terms of rendering an account of actions and decisions. Without adequate accountability the management of resources can at best be wasteful and incompetent and at worst corrupt. Where there is inadequate accountability, resources may be used inefficiently and ineffectively or decisions may be made to favour particular individuals or groups, thus monitoring of implementation of resources is vital. Mayne and Zapico-Goni (2017:12) argue that enhanced public accountability is impossible without credible performance information. Citizens should not be expected to simply trust politicians and public servants to "deliver the goods", but should be provided with meaningful and transparent reporting on what their government has achieved for them with their tax money, since they are the source of funds for government programmes and services. In the past, they may have been

satisfied with being told how much money was being spent in an area. With the countries facing a high level of taxes, citizens want more and better information on what they are getting (Mayne & Zapico-Goni, 2017:12). The MFMA (56 of 2003) also promotes accountability as it requires municipalities to compile reports which include details of all the transactions that occur within the municipalities. The latter is prescribed by Sections 71, 72, 52 and 127 of the MFMA (56 of 2003), where Section 71 refers to the compilation of monthly reports, Section 72 to mid-year reports, Section 52 to quarterly reports and finally Section 127 refers to the annual report. All of the above-mentioned reports serve as accountability reports and must be made available to the public and where possible, the public should be afforded an opportunity to make representations with regard to those reports. The annual report is also provided for by the MSA (32 of 2000) in terms of Section 46, which prescribes that non-financial performance information should form part of the annual report. National Treasury (2007:15) defines an annual report as a record of all the transactions that transpire through the financial year, including planning, budgeting, implementation and reporting processes and therefore should be subjected to public participation. Public representations can assist the municipality on areas that need improvement for future planning.

#### **2.3.4. Benefits of a Monitoring and Evaluation (M&E) system in an organisation**

M&E can assist an organisation to extract, from the past and ongoing activities, relevant information that can subsequently be used as the basis for programmatic fine-tuning, orientation and planning. Without M&E it would be impossible to judge whether work is going in the right direction, whether progress and success can be claimed, and how future efforts might be improved. The section below provides a list of benefits of an M&E system within local government (SALGA, 2019:146):

- Assists the organisation to formulate and justify budget requests.
- Assists in making operational resource allocation decisions.
- Triggers in-depth examinations of what performance problems exist and what remedial actions are needed.
- Motivates personnel to continue making programme improvements.
- Monitors the performance of contractors.
- Provides data for special, in-depth programme evaluations.
- Increases the efficiency of service provision.

- Supports strategic and other long-term planning efforts (by providing baseline information and later tracking progress).

### **2.3.5 Pitfalls of Not Having Performance Management and Evaluation Systems (PM&Es)**

There are downsides for organisations which lack fully functional PM&E systems, as cited below by Dlamini and Migiro (2010:384). They posit that lack of PM&E can compromise service delivery in that the organisation is unable to assess the following:

- **Value for money** - this can interrupt organisational benefits such as investment, restrict trade, reduce economic growth and distort the facts and figures associated with government expenditure. Corruption contributes to the increase in poverty, income inequality and can even weaken service delivery.
- **Openness and effectiveness** - this can hinder the transparency of organisational performance and transactions to build a strong foundation for the optimal use of resources and enhanced service delivery efficiency. Openness promotes effectiveness in government institutions.
- **Ethics and internal control systems** - this can impact on integrity, reliability of financial reporting, and compliance with applicable rules and regulations.
- **Accountability and reporting** - this mainly impacts on leadership at the level of strategic thinking for growth and opportunity for new business ventures, and building trust amongst stakeholders.

## **2.4. CHARACTERISTICS OF A PERFORMANCE MONITORING AND EVALUATION FRAMEWORK**

Altman (1979) posits that a performance monitoring system is a system of information and action. Its function is to provide a dynamic view of a service organisation's operation through a series of static snapshots. Performance monitoring systems are characterised by the establishment of measurable objectives, defining the operations or work processes necessary to achieve these objectives, and then monitoring the performance of the work processes and the attainment of the objectives. The latter enable the management to determine whether the organisation is achieving its objectives and enable an early detection of challenges in work processes that may be impeding the attainment of

organisational goals. Altman (1979:3) furthermore presents the three major components deemed to be common in performance monitoring systems which are as follows:

- A data component.
- An analytical component.
- An action component.

**The data component** - provides the framework for measuring and collecting data containing information about the performance of that which is being monitored. This component is echoed by Kariuki and Reddy (2017:6) who contend that it is imperative to strengthen municipal monitoring and evaluation information systems, because it would mean that, with time, quality data will be collected and analysed accurately to provide insights that inform decision-making, budgeting processes and policy development, amongst other aspects of municipal governance. Moreover, this would increase demand for monitoring and evaluation information as well as its utilisation. Engela and Ajam (2010:14) also add the development of technology-responsive systems that will facilitate proper and accurate reporting of municipal interventions such as technologies, including electronic data dashboards and other web-based information systems that facilitate real-time collection of monitoring and evaluation data. They can produce reports timeously that can be integrated with other reports generated from non-electronic systems. It is important that all data-producing mechanisms be integrated with existing data management processes to enhance coherent reporting and decision-making in municipalities (Ajam & Engela, 2010:14).

**The analytical component** - provides the framework for processing the data from the data component to extract through analysis information which is to be disseminated to those who need to know.

**The action component** - provides the framework for acting on the information disseminated by the information component by discriminating from amongst all the actions possible those appropriate for dealing with problems resulting from detrimental organisational policies, inadequate job training, inadequate job engineering, and unacceptable worker performance.

The continuous nature of the information provided by a performance monitoring system suggests that the ways in which data is collected and processed should not interrupt basic

organisational routines. The potential use of information provided by a performance monitoring system to guide corrective action suggests that information should be produced in sufficient time to permit organisational adjustments to be made. Ajam and Engela (2010:14) also add other characteristics for a monitoring system which are:

- Strong performance culture
- Baseline assessments
- Support from the role players

**Creation of a strong performance culture** – this is coupled with effective rewards and sanctions within an organisation. Ajam and Engela (2010:14) further explain that, for the organisation to be able to perform adequately, there should be rewards linked to performance which will ensure that the agreed upon goals and objectives are attained. Essentially, the reward system will make use of the two main sets of criteria for determining rewards, which are the level of achievement of set goals and the standard of performance to which the goals have been achieved. This implies that the way in which municipal employees meet the defined norms of quality determines the reward due to them. In a similar vein, every municipality should have a clearly defined policy that defines the consequences of non-performance.

**Baseline assessments** - as a norm, municipalities should always conduct baseline assessments before implementing government programmes. In most cases, local municipalities lack the necessary baseline data to inform their interventions (Ajam & Engela, 2010:18). It is imperative that local municipalities establish systems that capture critical data that is subjected to stringent verification processes to ensure their authenticity. They are then processed to inform decision-making and other pertinent governance processes. Dlamini and Migiro (2010:376) echo the sentiments above and add that a performance monitoring and evaluation system should provide for baseline information that will assist organisations to formulate performance indicators that are measurable and precise towards the attainment of service delivery targets.

**Support from the role-players** – operating an efficient and sustainable monitoring system requires significant coordination of multiple role players to ensure that it delivers results as expected. However, it also requires a significant level of support from political

and administrative leadership at the municipal level, who should work in tandem with each other to ensure that they support municipalities in delivering quality public services.

Dlamini and Migiro (2010:384) also provide criteria for good performance monitoring systems and posit that a good monitoring system is one that promotes performance indicators which are adequately measurable for:

- **Validity** - being appropriate to the objective; representing all relevant needs to be met and the related problems to be solved by the organisation.
- **Reliability** - making it possible to identify without ambiguity high or low values of the indicator with favourable or unfavourable performance, not susceptible to manipulation based on data produced by accurate information systems; feasible to obtain accurate observations.
- **Usefulness** - this characteristic can refer to many other additional attributes such as clear, meaningful, and adapted to management needs and capacity; parsimonious (frugal) as opposed to promiscuous (indiscriminate), easily accessible, timely, ready to guide action promptly, purpose-driven as opposed to data-driven; and financially feasible.

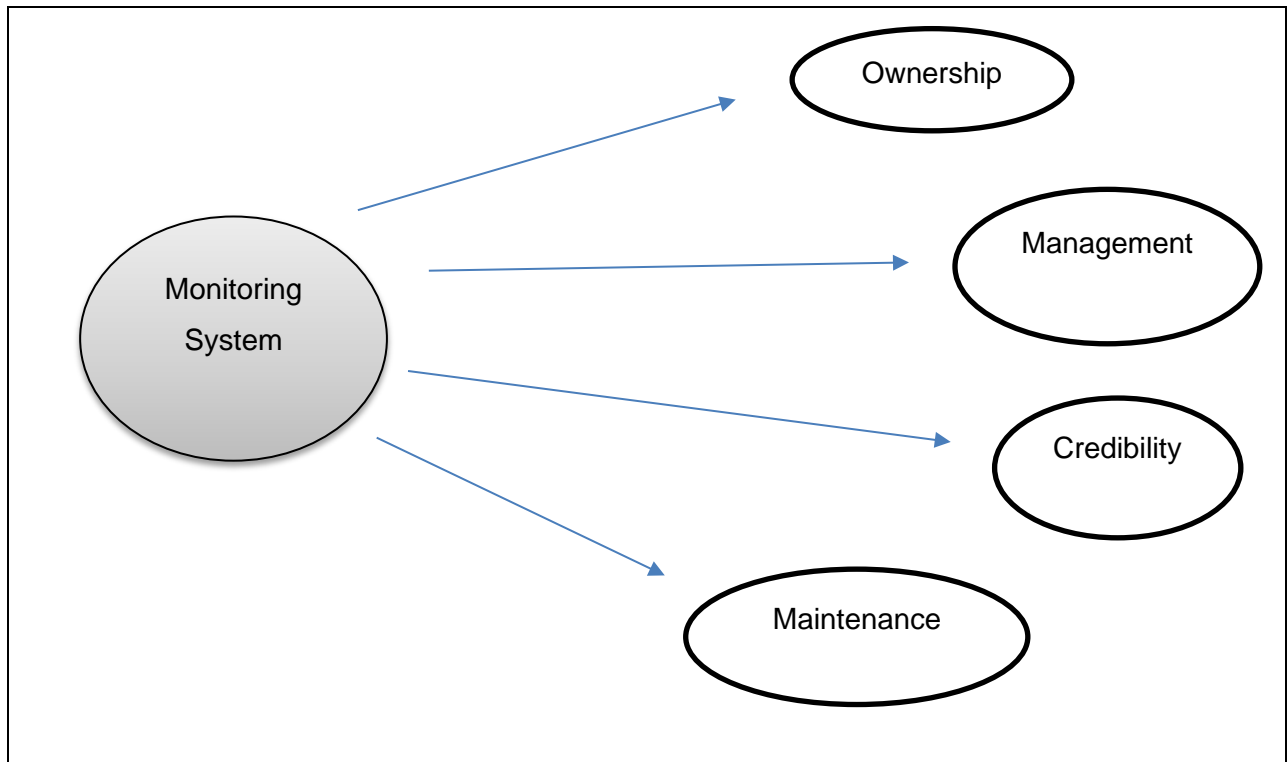
SALGA (2019:144) adds additional characteristics for a performance monitoring and evaluation framework which include:

**Ownership** - has to come from those at every level who use the system and demand performance information. Stakeholder ownership of data is critical. People must see the need for data collected.

**Management** - is critical to sustainability of the monitoring system. Data collection can be hampered or confused by overlaps, duplication, data received too late to have an impact on the decision-making process, and ignorance regarding what data is available. Monitoring systems must be continually managed. At the programme monitoring stage, this is particularly important. It is the coordinator's function to hound project teams for progress information, setting strict deadlines and enforcing compliance. Without detailed information from constituent projects, it is impossible to report meaningfully on programme progress.

**Credibility** - the credibility of monitoring data depends on three key criteria, which include reliability, validity and timeliness. Reliability is the extent to which a data collection system is stable and consistent over time, and that the measurement of the indicators is conducted in the same way every time. Validity refers particularly to the indicators which should measure, as directly and clearly as possible, the actual and intended performance levels. Timeliness further consists of three elements, including frequency, currency and accessibility. Frequency will determine how often data will be collected, the currency refers to how current the data collected is, and the accessibility refers to the availability of data when needed to support management decisions. Modern management requires good and timely information. Much of the onus for timeliness will fall on the programme coordinator, since the function of the coordinator is to extract accurate information from team leaders, coordinate data and disseminate it to appropriate individuals or groups.

**Maintenance** - maintenance of the monitoring system is essential to prevent systems from degenerating or collapsing. It is important to know who will collect information and by when and to keep the information flowing horizontally and vertically. Sufficient financial, human and technical resources must be provided, responsibilities should be clarified, and relationships need to be established between actions and results. Individuals need to know how their tasks contribute to the bigger picture. The programme coordinator needs to maintain data collection tables carefully, so that staff changes do not result in information gaps. Figure 2.1 below indicates the abovementioned factors influencing the successfulness of a M&E system.



**Figure 2.1: Factors influencing a monitoring system**

**Source:** SALGA (2019:144)

There are a number of existing M&E frameworks in different countries, including that of the South African government, which saw a need to establish a Government-Wide Monitoring and Evaluation System (GWM&ES) to monitor service delivery within SA. Other countries have also prioritised the development of monitoring systems, such as in the case of the Norwegian government. The Royal Norwegian Ministry emphasised that in order to be a performance-oriented government, much emphasis should be put on development of performance monitoring systems with the aim of stressing the continuing need for setting clear objectives and targets and measuring progress against them. Mayne and Zapico-Goni (2017:13) further make reference to the Government Performance and Results Act of 1993 of the United States, which commits the government to an extensive regime of setting performance expectations and annual reporting against those expectations to Congress. The purpose of the said act is to improve the efficiency and effectiveness of Federal programmes by establishing a system to set goals for programme performance and to measure results. The act also requires all government agencies to measure their programme and project performance and report

annually to the president and Congress. Even the Spanish Ministry of Finance has included efforts to monitor the extent to which managers implement and attain objectives for programme budgeting. At the same time, the Ministry of Public Administrations is implementing a system of performance monitoring of public services aimed at developing an observatory of public services to make the performance of public managers more transparent to citizens. What can be deduced and seems to be a common factor amongst the different frameworks is that any monitoring system developed for the public sector and other organisations should be designed in such a way that it enhances the attainment of intended outputs and outcomes aimed at improving the livelihoods of the citizens.

**2.5. ROLE PLAYERS IN PERFORMANCE MONITORING**

The M&E process should be well understood by all actors in the organisation, such as financial services, project management, procuring entities, the business community, suppliers and other stakeholders, such as professional associations, academic entities and the public in general (Dlamini & Migiro, 2010:380). The Presidency developed a Government-Wide Monitoring and Evaluation System which stipulates the roles and responsibilities of the different stakeholders within the M&E system. These are presented in Table 2.2 below (SALGA, 2019:142).

**Table 2.2: Roles and Responsibilities in M&E System**

Who	What
Legislators and councillors	As representatives elected by South Africa’s voters, government and all its structures are accountable to the legislatures and municipal councils. Legislators and councillors must exercise consistent and informed oversight of the bodies accountable to them, using insight gained from M&E systems.
Executive authorities	Should use M&E findings in the political oversight of institutional performance and for ensuring that desired outcomes and impacts are achieved. Also provide the bodies to whom they are accountable with detailed regular reports on the institutions under their control.
Accounting officers and accounting authorities	Accountable for the frequency and quality of M&E information and the integrity of the systems responsible for its production

	and utilisation. They need to ensure that prompt managerial action is taken in relation to M&E findings.
Programme managers, other line managers and officials	Establishing and maintaining M&E systems, especially collecting, capturing, verifying and using data and information.
Designated M&E units	Ensuring the implementation of M&E strategies by providing expertise and support as well acting as a service hub for related initiatives.
Internal audit unit	Responsible for quality checks and balances of performance information submitted for measurement and review.

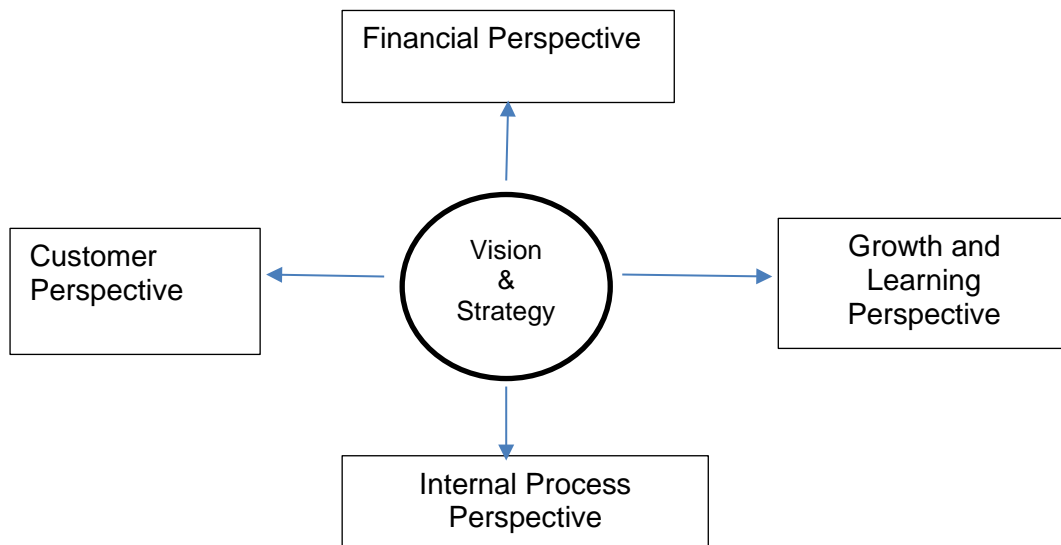
**Source:** SALGA (2019:142)

## 2.6. THE BALANCED SCORE CARD MODEL

In 1992, Kaplan and Norton developed the Balanced Score Card (BSC) Model to serve as a method to measure the extent to which an organisation performs (Kaplan, 2010:23). The BSC can be applied as a performance measurement tool, as a system of strategic management, and as the connecting link between the strategic and operational activities. It helps to relate strategically important initiatives with the real financial results (SALGA, 2019:59). The BSC was initially designed for the private sector, but was adopted by non-profit making organisations and public sector enterprises (Kaplan, 2010:23). It is a method that measures whether the smaller scale operational activities of an organisation are aligned with its larger scale objectives and prompts organisations to report in terms of the strategic intent and across internal and external perspectives (SALGA, 2019:60). The BSC turns the organisation's mission and strategy into a comprehensive set of performance tools and creates a strategic measurement system. Balaboniene and Vecerskiene (2015:317) denote that the BSC is based on compliance with the organisations' objectives as the tool to improve productivity. Traditionally, the majority of organisations measured their corporate activity by analysing financial aspects; however, the BSC revealed that financial tools cannot generate a balanced image of the critical success factors of any organisation, mainly because the financial measurements tend to measure the past. Therefore, the BSC depicts the following four perspectives in which the achievement of the organisation's objectives can be determined (Balaboniene &Vecerskiene, 2015:317; Kaplan, 2010:23):

- **Financial perspective** – the financial perspective focuses on the financial management of the organisation, whereby the management of the organisation has to answer a question of “to succeed financially how should we appear to our employees and shareholders?” This perspective encourages the management of an organisation to put its focus on how to meet service delivery needs in an economic, efficient and effective manner.
- **Perspective of users** – the perspective of users mainly refers to the organisation’s customers and poses a question of “to achieve our vision, how should we appeal to our customers?” The management of an organisation must know whether the organisation is meeting its customers’ needs and expectations. This relates to services and products (outputs) that an organisation should attain to yield the intended outcomes.
- **Internal processes perspective** - this perspective focuses on the business processes that an organisation needs to embark on, in order to ensure that there is an improvement within the administration of the organisation. It seeks to answer a question of “to satisfy our customers and shareholders, at which business processes must we excel?” The perspective encourages the management to focus on those critical operations that enable the organisation to satisfy the customers.
- **Learning and growth perspective** - this perspective challenges the management of an organisation to answer the question of “to achieve our vision, how will we sustain our ability to change and improve?” The latter puts more focus on employee development within an organisation and denotes that an organisation’s ability to improve and meet customer demands ties directly to the employees’ ability to meet those demands.

Figure 2.2 below demonstrates the four perspective of the BSC as discussed above.



**Figure 2.2: Kaplan and Norton's Balanced Score Card**

Source: Department of Provincial and Local Government Guidelines (2001:28)

The BSC has the concept of uniting the financial, user, internal processes, learning and growth perspectives and the different groups of data of performance results, whereby the organisation's performance may be analysed and measured comprehensively. The data of single perspectives is not sufficient for such a measurement, which therefore means that all four types of data are necessary. Thus the information encountered in the financial reports is not sufficient for performance measurement. The organisation has to accumulate both quantitative and qualitative data, that is data about the company's intangible assets, human resources, level of internal processes and the users. The BSC may be applied as the performance measurement tool, as the system of strategic management, and as the connecting link between the strategic and operational activities. The BSC helps to relate the strategically important initiatives with the real financial results. It is based on the compliance with the objectives as the tool to improve productivity. It is a holistic performance management system carried out towards the determination of productivity's measurement tools and the conveyance of objectives and visions to the organisation.

## **2.7. PERFORMANCE MANAGEMENT THEORIES**

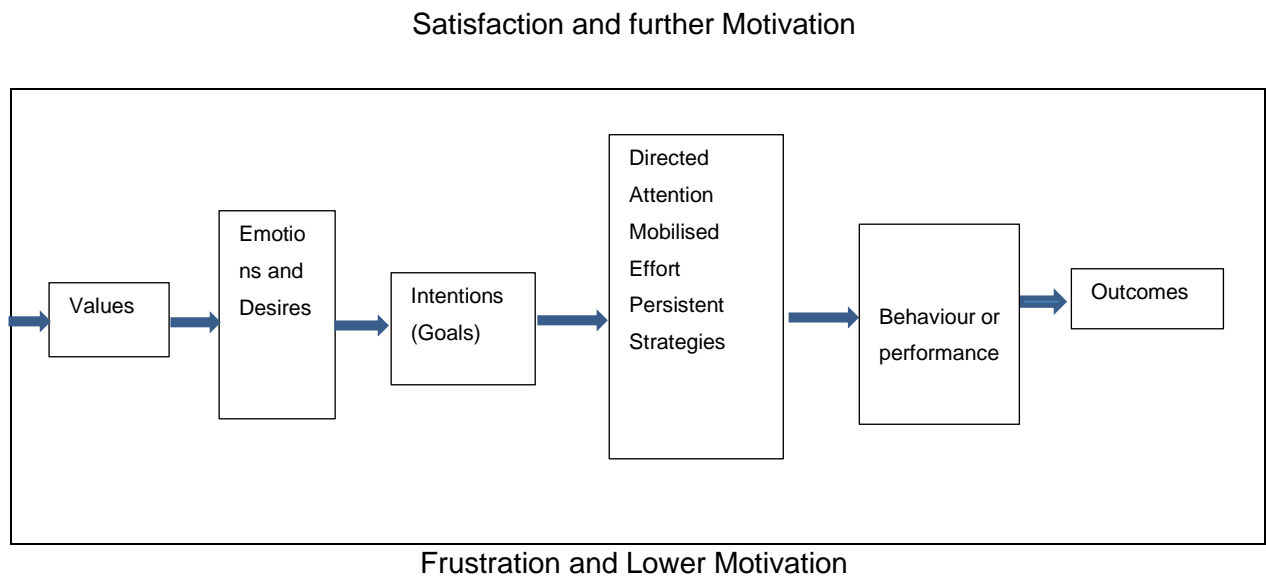
Performance management is the core of Public Management, particularly the New Public Management (NPM) reform. Van Dooren, Bouckaert and Halligan, (2010:2) argue that it is not possible to envisage management in the public sector without due regard to the pursuit of the results and measurement of performance. In western societies, the promise of increasing performance has been one of the dominant agendas in the public sector. The post-war expansion of the welfare state has raised expectations about the role of government. In the 1980s, this expansion led to the state pledging to do more with limited resources (Bouckaert, Halligan & Van Dooren, 2010:4). For the purpose of this study, the following theories were selected to be discussed: Locke and Latham's 1990 Goal Setting Theory of Motivation and Contingency Theory.

### **2.7.1. Goal Setting Theory of Motivation**

According to Lunenburg (2011:1), the Goal Setting Theory has two cognitive determinants of behaviour, which are values and intentions (goals). A goal is defined simply as what the individual is consciously trying to do and affects behaviour (job performance) (Lunenburg 2011:1). Therefore, goals direct attention and action amongst employees by motivating employees to develop strategies that will enable them to perform at the required goal levels. According to Lunenburg (2011:1), goals have a pervasive influence on employee behaviour and performance in organisations and management practices. Modern organisations have some form of goal setting in operation such as management by objectives (MBO), high-performance work practices (HPWPs), management information systems (MIS), benchmarking and stretch targets, as well as systems thinking and strategic planning. All these programmes include the development of specific goals for an organisation (Lunenburg, 2011:1). Goal Setting Theory asserts that managers widely accept goal setting as a means to improve and sustain performance, and furthermore that individuals who are provided with specific, difficult but attainable goals perform better than those given easy, nonspecific goals, or no goals at all. At the same time, however, the individuals must have sufficient ability, accept the goals, and receive feedback related to performance (Lunenburg, 2011:1). Thus Goal Setting Theory assumes that there is a direct relation between the definition of specific and measurable goals and performance. If managers know what they are aiming for, they are motivated for performance management practices, and exert more

effort, which increases performance. Finally, accomplishing the goal can lead to satisfaction and further motivation, or frustration and lower motivation if the goal is not accomplished (Lunenburg, 2011:1; Verbeeten, 2008:431).

Figure 2.3 below provides an illustration of the goal setting model.



**Figure 2.3: General Model of Goal Setting Theory**

**Source:** Lunenburg (2011:4)

### 2.7.2. Contingency Theory

Contingency theories dominate scholarly studies of organisational behaviour, design, performance, planning and management strategy. While they vary widely in subject matter, they have the common proposition that an organisational outcome is the consequence of a "fit" or match between two or more factors (Van de Ven & Drazin, 1985:1). The concept of fit is defined and explained in three ways which are: selection, interaction and systems approach. Earlier structural contingency theories were commonly based on the basic proposition that organisational performance is a consequence of fit between two or more factors such as the fit between organisation environment, strategy, structure, systems, style and culture (Van de Ven & Drazin, 1985). The Contingency Model of Accounting Innovation posits that the interactions between four modules explain change: stimuli, structural variables of information users, structural variables of information producers, and implementation barriers (Christensen & Yoshimi, 2003:79).

### **2.7.2.1. Selection Approach**

Initially, the most common interpretation of "fit" was that the design of an organisation must adapt to the characteristics of its context if it is to survive or be effective. In other words, organisational context is hypothesised to cause organisational design, based on the premise that effective organisations adopt structures that fit their situations relatively better than those that are not effective. More recently, the assumed relationship of performance in explaining context-structure links has been developed with greater clarity as a natural selection argument by Hannan and Freeman (1977), Comstock and Schroger (1979), Aldrich (1979), and McKelvey (1982) (Van de Ven & Drazin, 1985:3).

Most organisations and units within them are constrained in choosing or adopting the structural patterns that reflect their particular circumstances. No matter what the level of organisation one is examining, there usually exists a more macro level that imposes, at least in part, uniform practices and prescriptions upon more micro organisational units. Government laws regulate industries, industrial codes constrain businesses within that industry, and organisational policies impose uniformities on divisions, sections and units within them. Even though it may affect their performance, the focal organisational systems under investigation must conform to these uniform rules and procedures or they are selected out (because they do not "fit" with the prescribed institutional practices) by the macro organisational collectivity of which they are a part. This managerial view of selection means following macro organisational rules or policies that are imposed by authority or convention on all organisational systems under investigation (Van de Ven & Drazin, 1985:3). These macro organisational rules tend to be imposed on the focal systems in two ways: (1) uniformly without regard for the types of systems to which they apply, and (2) situationally through a set of switching rules that take different types of systems into consideration. These different kinds of macro organisational rules will have different effects in explaining variations in performance amongst organisational subunits. In the case of organisations, there are many structural characteristics of sub-units that do not reflect their immediate task environment, technology, resource dependence, or size, but instead reflect the uniform policies and rules of the overall organisation. Performance variations amongst organisational sub-units should only be expected to result from those contexts and design factors that vary and are at the discretion of the people within the sub-units (Van de Ven & Drazin, 1985:5).

### **2.7.2.2. The Interaction Approach**

A second interpretation of "fit" is that it is an interaction effect of organisational context and structure on performance, like the interaction of sun, rain, and soil nutrients on crop yields. Unlike those who adopt the first meaning of fit and wish to know how sun, rain, and soil nutrients affect each other, with this second meaning of fit one is principally interested in improving crop yields and believes that the answer lies in the joint covariations amongst sun, rain, and soil nutrients. In other words, the interest is not so much with possible causes and effects that may exist between organisational context and design, but more in the dependence of organisational performance on the interaction of organisation structure with its context (Van de Ven & Drazin, 1985:5). Correlational studies have found that the relationships between pairs of context and design characteristics are somewhat stronger for high than low performing organisations and units. For example, in a study of 103 Canadian industrial firms, Khandwalla (1977) found that the correlations between technology and structural dimensions of vertical integration, delegation of authority, and sophistication of control systems were stronger for effective than ineffective firms (Van de Ven & Drazin, 1985:8).

### **2.7.2.3. The Systems Approach**

The Systems Approach asserts that an understanding of organisational design can only advance if the many contingencies, structural alternatives, and performance criteria inherent to organisational life can be addressed simultaneously (Van de Ven & Drazin, 1985:14). The Systems Approach is based on and uses the conceptual frameworks of Systems Theory, and seeks to further these approaches through empirical analysis. However, in comparison with the selection and interaction approaches to fit, the Systems Approach is the most embryonic, consisting not of a dominant, well-developed perspective, but rather of several novel alternatives tied together by their interest in characterising the holistic patterns of interdependencies that are present in social systems. Another view of fit in the Systems Approach is Equifinality. It relaxes the assumption of a one-best-way implicit in the Selection, Interaction, and Pattern Approaches to fit. Rather than assuming that there are unique, best-structured solutions for given levels of context, the Equifinality Approach recognises that multiple, equally effective alternatives may exist (Van de Ven & Drazin, 1985:14).

## 2.8. CHAPTER SUMMARY

The chapter provided a theoretical framework for performance management and performance monitoring in the public sector. Focus was placed on the significance of monitoring performance, the role players in the monitoring of performance and the characteristics of a monitoring framework. A need for the public sector to establish a monitoring system was emphasised, to enable decision-making, accountability and transparency between the organisation and its public, as well as to promote learning and growth for improvement with regard to future planning. The chapter further provided the downside of not having a fully functional M&E system and revealed how service delivery can be compromised if an organisation does not assess itself on factors such as value for money which contribute towards investment and economic growth. In dealing with the characteristics of the monitoring framework, numerous monitoring systems were explicated, including M&E systems implemented by other countries such as Uganda and Norway. It was discovered that within these systems, an efficient M&E system is one that provides for setting of precise and conscious performance indicators, targets and objectives and also measuring progress with regard to its implementation to promote the attainment of service delivery targets which in a broader perspective contribute to the curbing of poverty and unemployment. Reference to such a system was made by the Government-Wide Monitoring System which was developed by the South African government to promote good governance and accountability to the public with regard to the implementation of government resources. Finally, the chapter explored the Balanced Score Card (BSC) Model as one of the methods used for the monitoring of performance by different organisations. The four perspectives of the BSC were explained in detail which are: the financial perspective; the perspective of users; the internal processes perspective and the learning and growth perspective. The BSC provided perspectives on the extent to which organisations are able to measure how they perform by not only relying on the financial information, but taking into account both financial and non-financial information.

The chapter concluded with a discussion on the theories of performance management, wherein the Goal Setting Theory of Motivation and Contingency Theory were explored to draw their relevance into the study. These theories encourage organisations to adopt programmes such as strategic planning sessions and Management By Objectives (MBO)

for employees to be accorded an opportunity to set precise and unambiguous goals that will feed into organisational goals. The latter motivates the employees to ensure that they attain those goals, and therefore organisational goals and objectives will also be attained.

In addition to the theoretical framework established in this chapter, there are certain statutory and regulatory guidelines which ought to be followed in the monitoring of the organisation's performance. The legislation, policies and programmes relevant to performance monitoring in local government are subsequently discussed in the next chapter.

## **CHAPTER 3**

# **LEGISLATIVE AND REGULATORY FRAMEWORK FOR PERFORMANCE MANAGEMENT AND PERFORMANCE MONITORING**

### **3.1. INTRODUCTION**

The previous chapter provided a theoretical overview of performance monitoring and its application in local government settings. Monitoring of performance in South African municipalities occurs within a statutory and regulatory framework. This framework is meant to enhance the process of transforming public service delivery. This chapter thus analyses the main statutory and regulatory framework documents that outline a governance context for performance monitoring applications in South African municipalities.

### **3.2. STATUTORY FRAMEWORK GOVERNING PERFORMANCE MANAGEMENT AND MONITORING**

As alluded to above, Research Objective 2 (RO2) of this study is to analyse the statutory requirements with regard to performance management and performance monitoring. In pursuance of this, the study commences with an analysis of the Constitution, which in terms of Section 2 of the Constitution of South Africa, 1996 is the supreme law of the Republic and any conduct inconsistent with it is invalid and the obligations imposed must be fulfilled. This simply implies that there is no law in the State that is higher than the Constitution.

#### **3.2.1. The Constitution of the Republic of South Africa, 1996**

The Constitution makes provision for the three spheres of government, namely national, provincial and local government. Furthermore, it stipulates that local government is an independent sphere of government from national and provincial government in which the executive and legislative authority are vested in municipalities' municipal council.

Section 152 of the Constitution of South Africa (1996) provides for the following objectives of local government:

- Provide democratic and accountable government for local communities.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment.
- Encourage the involvement of communities and community organisations in the matters of local government.

The abovementioned objectives are mandated for every municipality in South Africa to ensure that they are met. This contributes to improved service delivery to communities and promotes basic values and principles for public administration. Section 195 of the Constitution of South Africa (1996) provides for the following basic principles and values which are to promote good performance of a municipality:

- Promotion and maintenance of a high standard of professional ethics.
- Promotion of efficient, economic and effective use of resources.
- Provision of services must be in an impartial, fair, equitable manner and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- Promotion of accountability.
- Transparency must be fostered by providing the public with timely, accessible and accurate information.

According to Section 153 of The Constitution of South Africa (1996), municipalities are mandated with major developmental responsibilities, which include structuring and managing the administration, budgeting and planning processes to give priority to the basic needs of the community; promoting social and economic development of the community; and participating in national and provincial development programmes aimed at ensuring improvement of quality of life for the communities.

### **3.2.2. Local Government: Municipal Structures Act 117 of 1998**

The Local Government: Municipal Structures Act (117 of 1998) provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities. It also provides for an appropriate division of functions and

powers between categories of municipalities, as well as the regulation of the internal systems, structures and office-bearers of municipalities. The act provides for the composition of a municipal council and the appointment of the head of administration and the accounting officer, which is the municipal manager. Section 82 of the Local Government: Municipal Structures Act (117 of 1998) specifically outlines that the municipal manager appointed by a municipality must possess the necessary skills and expertise to perform the duties associated with that position. Furthermore, the act also places emphasis on the local government objectives which must be met by municipal council as depicted in Section 152 of the Constitution of South Africa (1996).

In ensuring that the local government objectives are met, the council must meet on a quarterly basis to deal with municipal affairs, it must annually review the needs of the community; its priorities to meet those needs; its processes for involving the community; its organisational and delivery mechanisms for meeting the needs of the community; and its overall performance in achieving the objectives referred to in Section 152 of the Constitution of South Africa (1996). A municipal council must also develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers. Sections 79 and 80 of the Local Government: Municipal Structures Act (117 of 1998) provide for the establishment of council committees and other committees which will assist council in executing its functions. The committees play an oversight role in the performance of the municipality and report to the executive mayor and council on the performance of the municipality.

### **3.2.3. Local Government: Municipal Systems Act 32 of 2000**

The Local Government: Municipal Systems Act (32 of 2000) (MSA) outlines the legal nature and rights as well as duties of municipalities. According to Section 2 of the MSA, (32 of 2000), a municipality is an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government: Demarcation Act of 1998. A municipality consists of political structures, administration and the community of the municipality. The MSA (32 of 2000) places major duties on the municipal council to ensure that a municipality governs itself in a democratic and accountable manner when providing its community with services and also encouraging consultation of the community with regard to the level of services that

the municipality provides to the community, as depicted in Chapter 4 of the MSA (32 of 2000).

The MSA (32 of 2000) dedicates Chapter 6 to performance management, wherein Section 38 compels each municipality to establish a performance management system that is commensurate to its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in each municipality's integrated development plan (IDP). Furthermore, municipalities are mandated with the responsibility of promoting a culture of performance management amongst their political structures, political office bearers, councillors and the administration, and to also administer their affairs in an economical, effective, efficient and accountable manner. Sections 39-40 provide for the development, monitoring and review of a performance management system, whereby the responsibility of managing the development of the performance management system is placed on the executive mayor who will assign such responsibilities to the municipal manager and ensure that the system developed is adopted by council. Municipalities are expected to establish mechanisms to monitor and review their performance management system and in so doing, must ensure community involvement in that process.

There are also core components which each municipality must adhere to, in terms of Section 41 of the MSA (32 of 2000). A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed:

- Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact.
- With regard to the municipality's development priorities and objectives set out in its integrated development plan, set measurable performance targets with regard to each of those development priorities and objectives.
- With regard to each of those development priorities and objectives, and against the key performance indicators and targets set in the IDP, monitor performance, measure and review performance at least once per year.
- Take steps to improve performance with regard to those development priorities and objectives where performance targets are not met.

- Establish a process of regular reporting to the council, other political structures, political office bearers and staff of the municipality, the public and appropriate organs of state.
- The applied system must be devised in such a way that it may serve as an early warning indicator of under-performance.

Section 43 of the MSA (32 of 2000) provides for the Minister in consultation with the MECs for local government, to prescribe by way of regulation, general indicators that are appropriate and must be applied generally by all municipalities and when necessary, reviewed and adjusted. The MSA (32 of 2000) also provides for the results of the performance measurement to be audited by the internal audit on a quarterly basis and by the Auditor General of South Africa at least once a year.

#### **3.2.4. Local Government: Municipal Finance Management Act 32 of 2003**

The Local Government: Municipal Finance Management Act (56 of 2003) (MFMA) establishes a clear and strict framework to secure sound and sustainable management of the financial affairs of municipalities. The MFMA (56 of 2003) has the objective of securing sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities. It also ensures that there is adequate management of revenues, expenditures, assets and liabilities and the handling of a municipality's financial dealings, including supply chain management processes. The MFMA (56 of 2003) permits the Department of Treasury to monitor and supervise implementation of the municipal budget, including revenue collection, expenditure and borrowing. Furthermore, the act provides for the development of a municipality's annual budget, service delivery and budget implementation plan (SDBIP) and reporting of the status of affairs of the municipality throughout the financial year by way of guidelines issued by Treasury (circulars). Section 53 mandates the executive mayor with the responsibility to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget, coordinate the annual revision of the IDP and compilation of the annual budget and ensure that the SDBIP is compiled in accordance with Circular 13 of the MFMA (56 of 2003) and approved by the executive mayor twenty eight days after the approval of the municipal budget.

Section 71 of the MFMA (56 of 2003) compels the accounting officer of a municipality to submit within ten working days, to the executive mayor and provincial treasury, the monthly budget statement which reflects amongst others, the actual revenue, actual borrowings, actual expenditure and actual capital expenditure for each month. Section 72 of the MFMA (56 of 2003) makes provision for the development of the mid-year budget and performance assessment report, which reflects the performance of the municipality for the first six months of a financial year. It elaborates that the accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year, taking into account the monthly statements referred to in Section 71 and the service delivery targets and performance indicators set out in the service delivery and budget implementation plan. Lastly, the mid-year budget and performance assessment report makes recommendations as to whether an adjustments budget is necessary, which will result in the revision of the projections for revenue and expenditure to the extent that it may be necessary.

Section 121 of the MFMA (56 of 2003) provides that each municipality must prepare an annual report which includes the annual performance report in terms of Section 46 of the MSA (32 of 2000), the annual financial statements as submitted to the Auditor General of South Africa, the Auditor-General's audit report in terms of Section 45(b) of the MSA (32 of 2000), particulars of any corrective action taken or to be taken in response to issues raised in the audit reports and any recommendations of the municipality's audit committee. The executive mayor is compelled by Section 127 of the MFMA (56 of 2003) to table in council the annual report within seven months after the end of the financial year. The purposes of the annual report in terms of Section 121 of the MFMA (56 of 2003) are as follows:

- To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates.
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year.
- To promote accountability to the local community for the decisions made during the financial year by the municipality or municipal entity.

The reporting requirements are concluded with the compilation of the oversight report in terms of Section 129 of the MFMA (56 of 2003). Section 129 prescribes for the council of

a municipality to consider the annual report of the municipality by no later than two months from the date on which the draft annual report was tabled in council. Council further has to adopt an oversight report containing the council's comments on the annual report, which must include a statement as to whether the council:

- has approved the annual report with or without reservations;
- has rejected the annual report;
- has referred the annual report back for revision of those components that can be revised.

The accounting officer is compelled to attend council and council committee meetings where the annual report is discussed during public hearings, for the purpose of responding to questions concerning the annual report and must also ensure submission of the copies of the minutes of those meetings to the Auditor General, provincial treasury and the provincial department responsible for local government in the province.

### **3.3. THE REGULATORY FRAMEWORK FOR PERFORMANCE MANAGEMENT AND MONITORING IN LOCAL GOVERNMENT**

The regulatory framework for Performance Management and Monitoring in Local Government is presented in the subsequent sections.

#### **3.3.1. The White Paper on Transforming Public Service Delivery, 1997**

The White Paper on the Transformation of the Public Service (WTPS) of 1997 was published on the 24<sup>th</sup> of November 1995 and came into effect in 1997. The purpose of the White Paper was to provide the public service with a policy framework and an implementation strategy for the delivery of public services. The White Paper gave rise to the eight *Batho Pele* Principles which serve as a catalyst for service delivery implementation for the public servants. Improving service delivery is therefore the ultimate goal of the public service transformation programme. The *Batho Pele* Principles provide for the community to be treated as customers, and their needs and views to be prioritised and catered for. The *Batho Pele* Principles also enhance customer satisfaction, wherein the government officials are held accountable by the community for the type of service that they receive.

Chapter 11 of the WPTPS of 1997 requires the public service to identify, amongst other things:

- a mission statement for service delivery, together with service guarantees;
- the services to be provided, to which groups, and at which service charges;
- in line with Reconstruction and Development Programme (RDP) priorities, the principle of affordability, and the principle of redirecting resources to areas and groups previously under-resourced;
- service standards, defined outputs and targets, and performance indicators benchmarked against comparable international standards;
- monitoring and evaluation mechanisms and structures, designed to measure progress and introduce corrective action where appropriate;
- plans for staffing, human resource development and organisational capacity building, tailored to service delivery needs;
- the redirection of human and other resources from administrative tasks to service provision, particularly for disadvantaged groups and areas;
- financial plans that link budgets directly to service needs and personnel plans.

“*Batho Pele*” is a Sotho name which means “People First” and has the following eight principles as described in the *Batho Pele* White Paper of 1997.

### **3.3.1.1. Consultation**

This principle contends that all stakeholders should be consulted on the nature, quantity and quality of services, thereby influencing decisions about public services, by providing objective evidence which will determine service delivery priorities.

Consultation is critical in the strengthening of good governance, as well as the promotion of democracy, as it invites participation of the citizens in policy decisions and service delivery matters (PSC, 2007: 9). Consultation can also help to foster a more participative and co-operative relationship between the providers and users of public services.

The principle makes provision for the different platforms that can be utilised to consult users of services, including customer surveys, interviews with individual users, consultation groups, and meetings with consumer representative bodies, NGOs and CBOs, including bodies representing previously disadvantaged groups. The method

adopted must be chosen to suit the characteristics of the users and consumers concerned, especially those who have been previously disadvantaged and denied access to public services.

#### **3.3.1.2. Service Standards**

The principle contends that communities should be told about the level and standard of the services they are provided with and that government departments must develop and publish standards for the level and quality of services which they provide, including the introduction of new services to those who have previously been denied access to them. Service standards must be set at a level which is demanding but realistic. This means that they should reflect a level of service which is higher than the one that is currently offered but which can be achieved with dedicated effort, and by adopting more efficient and customer-focused working practices.

#### **3.3.1.3. Access**

This principle concurs with the constitutional principle of provision of services impartially, fairly, equitably and without bias, which contemplates that citizens should have equal access to services to which they are entitled. This refers particularly to the citizens who are disadvantaged such as disabled persons, the illiterate, and those citizens who are disadvantaged due to geographical area such as living in rural areas. The principle aims at ensuring that government services are known and are easily accessible to members of the public (PSC, 2006:11). Accessibility means making available resources such as mobile offices in those wards which are located in rural areas, translation of the documents such as the IDP and Annual Reports into other indigenous languages, building of ramps in government buildings for people with disabilities (wheelchairs) to be able to access the different offices, and the provision of signage to assist in providing directions to the different service points.

#### **3.3.1.4. Courtesy**

The principle provides for customers to be treated fairly and in a dignified manner at all times. The public service must specify the standards for the way in which customers should be treated. These standards should cover, amongst others, the following:

- greeting and addressing customers;
- the identification of staff by name when dealing with customers, whether in person, on the telephone or in writing;
- the style and tone of written communications;
- simplification and 'customer-friendliness' of forms;
- the maximum length of time within which responses must be made to enquiries;
- the conduct of interviews;
- how complaints should be dealt with;
- dealing with people who have special needs, such as the elderly or infirm;
- gender; and
- language.

Furthermore, the principle promotes regular performance monitoring of staff who deal with customers, whereby performance which falls below the specified standards, should not be tolerated and to include service delivery and customer care in all future training programmes to ensure that training is provided to all those who deal directly with the public.

#### **3.3.1.5. Information**

This principle is in line with the Bill of Rights, where citizens have rights to access information, and emphasises that citizens should be given full, accurate information about the public services they are entitled to receive (DPSA, 2014:7). Information must be provided in a variety of media (website, monthly newsletters and pamphlets, local newspapers and radio stations) and languages to meet the different needs of different customers. This is essential to ensure the inclusion of those who have previously been disadvantaged by physical disability, language, race, gender, geographical distance or in any other way. Schools, libraries, clinics, shops and local NGOs and CBOs are all potential distribution points which can bridge the gap for previously disadvantaged citizens. Written information should be plain and free of jargon, and supported by graphical material where this will make it easier to understand.

#### **3.3.1.6. Openness and transparency**

Openness and transparency are the hallmarks of a democratic government and are fundamental to the public service transformation process. In terms of public service

delivery, their importance lies in the need to build confidence and trust between the public sector and the public which they serve. A key aspect of this principle is that the public should know more about the way in which the public service is run, its performance, how the resources are utilised and who is in charge. The mechanisms for achieving openness and transparency are through making public the annual report which stipulates amongst others the following:

- staff numbers employed, and the names and responsibilities of senior officials;
- performance against targets for improved service delivery, financial savings and increased efficiency;
- resources consumed, including salaries and other staff costs, and other operating expenses;
- any income, such as fees for services;
- targets for the following year; and
- a name and contact number for further information.

The annual report must be developed and publicised in different languages to cater for all communities.

#### **3.3.1.7. Redress**

The principle contends that in the case that the public service did not deliver the promised service, then apology must be provided to the community and an explanation as to why the service could not be delivered should be provided as well. Corrective measures must also be developed on how the service will ultimately be achieved. The principle of Redress WPTPS (1997), suggests that the principle should be implemented according to a completely new approach of handling complaints. Complaints management systems must be developed and be dedicated to address all the dissatisfactions encountered by the communities. Complaints systems should be well-publicised and easy to use. Excessive formality should be avoided. Systems which require complaints to be made only in writing may be convenient for the organisation, but can be off-putting to many customers. Complaints made in other ways, such as face-to-face, or by telephone, should therefore also be welcomed. The principle provides the following aspects for effective complaints management:

- **Speed** - Complaints should be attended to within the set standard and time frames to avoid more dissatisfied customers that may occur as a result of a delay in providing the response to a complainant. In the case of any delay an immediate and genuine apology, together with a full explanation, should be provided to a complainant and the complainant should be kept informed of the progress and told when an outcome can be expected.
- **Fairness** - Complaints should be fully and impartially investigated so that people cannot be nervous of complaining about staff members, or about some aspect of the system for which the officials are responsible. Wherever possible, an independent avenue should be offered if the complainant is dissatisfied with the response they receive the first time round.
- **Confidentiality** - The complainant's confidentiality should be protected, so that they are not deterred from making complaints by feeling that they will be treated less sympathetically in future.
- **Responsiveness** - The response to a complaint, however trivial, should take full account of the individual's concerns and feelings. Where a mistake has been made, or the service has fallen below the promised standard, the response should be immediate, starting with an apology and a full explanation; an assurance that the occurrence will not be repeated; and then whatever remedial action is necessary.
- **Review** - Complaints systems should incorporate mechanisms for review and for feeding back suggestions for change to those who are responsible for providing the service, so that mistakes and failures do not recur.
- **Training** - Complaints handling procedures should be publicised throughout the organisation and training given to all staff so that they know what action to take when a complaint is received.

#### **3.3.1.8. Value for money**

The principle provides for the tax payers' money to be utilised effectively to enhance service delivery to improve the lives of the paying communities. This means that the public service therefore has to search for ways to simplify procedures and eliminate waste and inefficiency. All government departments should identify areas where efficiency savings will be sought, as part of their service delivery improvements.

### **3.3.2. White Paper on Local Government, 1998**

The White Paper on Local Government of 1998 explores how local government can meet its constitutional obligation to be developmental. Within the framework of the Constitution, the White Paper establishes the basis for a new developmental local government system that is committed to working with citizens, groups and communities to create sustainable human settlements that provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way. The White Paper defines developmental local government as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives (White Paper on Local Government, 1998). The White Paper foregrounds the issue of community participation in issues concerning service delivery and also encourages municipalities to develop mechanisms to ensure citizen participation in policy initiation and formulation, as well as the monitoring and evaluation of decision-making and implementation.

The White Paper also introduces IDPs and describes this as a process through which a municipality can establish a development plan for the short, medium and long-term. The main steps in producing an IDP are an assessment of the current social, economic and environmental reality in the municipal area, a determination of community needs through close consultation, developing a vision for development in the area, an audit of available resources, skills and capacities, prioritisation of these needs in order of urgency and long-term importance, the development of integrated frameworks and goals to meet these needs and the formulation of strategies to achieve the goals within specific time frames (Lavhelani & Ndebele, 2017:344).

### **3.3.3. Municipal Planning and Performance Management Regulations, 2001**

The Municipal Planning and Performance Management Regulations of 2001 (MPPR) were developed by the Minister of Cooperative Government and Traditional Affairs in consultation with the MECs in terms of Section 120 of the MSA (32 of 2000) to provide for or to regulate the following components within performance as presented in Section 49 of the MSA (32 of 2000):

- incentives to ensure that municipalities establish their performance management systems within the applicable prescribed period, and comply with the provisions of the MSA (32 of 2000) concerning performance management systems;
- the setting of key performance indicators by a municipality with regard to its development objectives;
- the identification of appropriate general key performance indicators that can be applied to municipalities generally;
- the regular review by a municipality of its key performance indicators;
- the setting up of a framework for performance targets by municipalities consistent with their development priorities, objectives and strategies set out in their IDP;
- mechanisms, systems and processes for the monitoring and measurement of performance by a municipality with regard to its development objectives;
- the internal auditing of performance measurements;
- the assessment of those performance measurements by a municipality;
- the assessment of progress by a municipality with the implementation of its IDP; and
- the improvement of performance.

Chapter 2 and 3 of the regulations are dedicated to providing detailed guidelines for the development of the municipality's IDP and the Performance Management System (PMS), whereby the IDP serves as the planning concept for performance management (SALGA, 2019:41). Regulation 2 makes provision for the development of the IDP, which must be inclusive of the institutional framework which includes the organogram required for implementation of the IDP and addressing the municipality's internal transformation needs (Department of Provincial and Local Government, 2001:4). It further stipulates that the IDP must project a financial plan which includes the budget projection, financial resources available to cater for capital project development and operational expenditure and a financial strategy that defines the sound financial management, expenditure control and means to increase revenue collection. The IDP should project the spatial development framework that must set out objectives that reflect the desired spatial form of the municipality, contain strategies and policies regarding the manner in which to achieve the objectives (in so doing ensuring that the strategies and policies amongst others indicate desired patterns of land use within the municipality), address the spatial

reconstruction of the municipality and provide strategic guidance in respect of the location and nature of development within the municipality. Regulation 6 outlines that the IDP actually informs the municipality's annual budget, since the budget must be based on the development priorities and objectives depicted in the IDP. The performance targets set by the municipality in the IDP are also used to prepare the municipality's SDBIP, action plans or the implementation of strategies identified by the municipality (Department of Provincial and Local Government, 2001:9).

Chapter 5 of the Regulations outlines in detail how the performance management system process should unfold. A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. The system developed must be adopted by council before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its IDP. When setting the key performance indicators, municipalities must ensure that they set key performance indicators, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objectives portrayed in the IDP. The regulations further provide for the performance indicators and targets to project the "SMART" principle, which describes that the key performance indicators and targets must be specific, measurable, attainable, realistic and time bound. In setting key performance indicators, a municipality must ensure that communities are involved. The regulations also make provision for the general performance indicators which each municipality must ensure form part of its implementation plans, so that they can be measured frequently to ascertain the provision of basic services to the communities.

Regulation 11 states that a municipality must review its key performance indicators annually, as part of the performance review process, and whenever a municipality amends its integrated development plan. Regulation 13 provides for the municipality to ensure that it consults the local community when developing and implementing mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets set by it. The mechanisms developed must provide for reporting to the municipal council at least

twice a year, be designed in a manner that enables the municipality to detect early indications of under-performance, and provide for corrective measures where under-performance has been identified. Finally, Regulation 14 makes provision for the auditing of performance measurements which must be undertaken by the internal audit unit, and which must include assessments of the functionality of the municipality's performance management system, and whether the municipality's performance management system complies with the act. The internal audit unit must also submit reports to the performance audit committee appointed by council. The performance audit committee must perform its review with regard to the reports submitted to it and submit a report to council at least twice a year. In reviewing the municipality's performance management system, the performance audit committee must focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

#### **3.3.4. Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006**

The regulations set out how the performance of municipal managers and those of the managers directly reporting to the municipal managers will be uniformly directed, monitored and improved. The regulations address both the employment contract of a municipal manager and the managers directly accountable to the municipal manager in terms of Section 57 of the MSA. According to Section 57 of the MSA (32 of 2000), a person to be appointed as a municipal manager or manager directly accountable to the municipal manager may only be appointed in that position in terms of an employment contract which stipulates conditions under which the work is supposed to be performed, and concludes a performance agreement contemplating the work to be performed and attained annually.

Regulation 2 makes provision for elements which must form part of the employment contract which include, subject to applicable labour legislation, details of duties, remuneration, benefits and other terms and conditions of employment associated with the position of a senior manager. Chapter 3 of the regulations provides a detailed description of how the performance agreement of a municipal manager and a manager directly accountable to a municipal manager should look, and what should be contained in that performance agreement. The performance agreement provides assurance to the

municipal council of what can and should be expected from the municipal manager and the managers directly accountable to the municipal manager. Regulation 23 makes provision for the purposes of the performance agreement which are to:

- comply with the provisions of Section 57(1) (b), (4A), (4B) and (5) of the MSA as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure the performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employees have met the performance expectations applicable to their job;
- in the event of outstanding performance, to appropriately reward the employee; and
- give effect to the employer's commitment to a performance orientated relationship with its employee in attaining equitable and improved service delivery.

The regulations further make provision for participation of the municipal manager and the managers directly accountable to the municipal manager in the performance management system adopted by council. The latter requires the employer to consult the employee with regard to the performance management system and the employee should also accept and understand the purpose of the performance management system which is to provide a comprehensive system with specific performance standards to assist the employer, management and municipal staff to perform to the standards required. The employee undertakes to actively focus upon the promotion and implementation of the Key Performance Areas (KPA's) (including special projects relevant to the employee's responsibilities) within the local government framework. The criteria upon which the performance of the employee must be assessed consist of two components, both of which must be contained in the performance agreement. The employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCRs) respectively. Each area

of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment. The employee's assessment will be based on their performance in terms of the outputs or outcomes (performance indicators) identified as per the performance plan which are linked to the KPAs, which constitute 80% of the overall assessment result as per the weightings agreed to between the employer and employee. Table 3.1 below indicates the KPAs and the weighting for the municipal manager.

**Table 3.1: Key Performance Areas and weighting of a municipal manager**

Identified Key Performance Area	Weight
Local Economic Development	20
Municipal Institutional Development and Transformation	20
Municipal Financial Viability and Management	20
Basic Service Delivery and Infrastructure	20
Good Governance and Public Participation	20
<b>TOTAL</b>	<b>100%</b>

**Source:** COGTA (2006:17)

The other 20% is made up of the Core Competency Requirements which communicates what is expected from senior managers for effective performance in local government as stipulated in Table 3.2 below.

**Table 3.2: Core competency requirements for a municipal manager**

CORE COMPETENCY REQUIREMENTS (CCRs)		Weight
Leading Competencies		
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>• Impact and Influence</li> <li>• Institutional Performance Management</li> <li>• Strategic Planning and Management</li> <li>• Organisational Awareness</li> </ul>	8.35
People Management	<ul style="list-style-type: none"> <li>• Human Capital Planning and Development</li> <li>• Diversity Management</li> <li>• Employee Relations Management</li> <li>• Negotiation and Dispute Management</li> </ul>	8.33
Programme and Project Management	<ul style="list-style-type: none"> <li>• Programme and Project Planning and Implementation</li> <li>• Service Delivery Management</li> </ul>	8.33

	<ul style="list-style-type: none"> <li>• Programme and Project Monitoring and Evaluation</li> </ul>	
Financial Management	<ul style="list-style-type: none"> <li>• Budget Planning and Execution</li> <li>• Financial Strategy and Delivery</li> <li>• Financial Reporting and Monitoring</li> </ul>	8.33
Change Leadership	<ul style="list-style-type: none"> <li>• Change Vision and Strategy</li> <li>• Process Design and Improvement</li> <li>• Change Impact Monitoring and Evaluation</li> </ul>	8.33
Governance Leadership	<ul style="list-style-type: none"> <li>• Policy Formulation</li> <li>• Risk and Compliance Management</li> <li>• Cooperative Governance</li> </ul>	8.33
<b>Core Competencies</b>		
Moral Competence		8.33
Planning and Organising		8.35
Analysis and Innovation		8.33
Knowledge and Information Management		8.33
Communication		8.33
Results and Quality Focus		8.33
<b>Total Percentage</b>		<b>100%</b>

**Source:** COGTA (2006:17)

Furthermore, the regulations also provide for performance evaluation, whereby employee appraisals must be conducted to check the level of attainment of the set objectives and targets and to properly reward outstanding performance where it is due. The performance plan (Annexure A) to the performance agreement sets out the standards and procedures for evaluating the employee's performance, and the intervals for the evaluation of the employee's performance. Personal growth and development needs identified during any performance review discussion must be documented in a personal development plan as well as the actions agreed to, and implementation must take place within the set time frames.

The employee's performance must be measured in terms of contributions to the goals and strategies set out in the municipality's IDP and will involve the assessment of the achievement of results as outlined in the performance plan. Each KPA should be assessed according to the extent to which the specified standards or performance

indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA. An indicative rating on a five-point scale should be provided for each KPA. The applicable assessment rating calculator must be used to add the scores and calculate a final KPA score which will determine whether the employee's level of performance qualifies them for a reward or not as depicted in the table below:

**Table 3.3: Level of performance and rating**

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the Employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

**Source:** COGTA (2006:19)

Regulation 28 makes provision for the schedule of review which must be conducted within one month after the end of each quarter, whereby mid-year and annual reviews should

be formal and conducted by the relevant panel for the municipal manager and the managers directly accountable to the municipal manager.

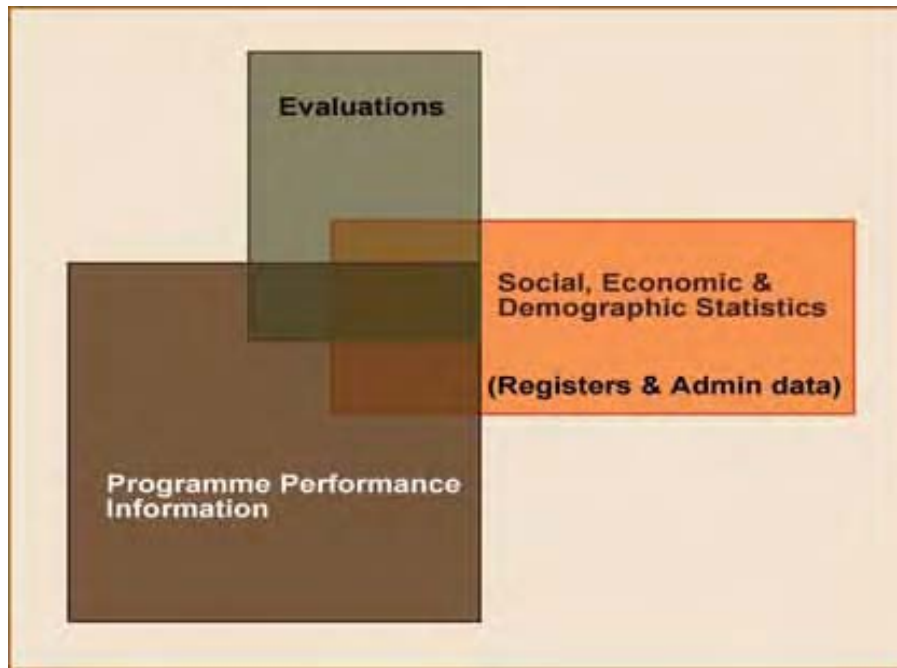
### **3.3.5. Government-Wide Monitoring and Evaluation System, 2007**

A monitoring and evaluation system is a set of organisational structures, management processes, standards, strategies, plans, indicators, information systems, reporting lines and accountability relationships which enable national and provincial departments, municipalities and other institutions to discharge their Monitoring and Evaluation (M&E) functions effectively. In addition to these formal managerial elements are the organisational culture, capacity and other enabling conditions which will determine whether the feedback from the M&E function influences the organisation's decision-making, learning and service delivery (Ajam & Engela, 2017:3).

The aim of the Government-Wide Monitoring and Evaluation System is to contribute to improved governance and enhance the effectiveness of public sector organisations and institutions. The system objectives are the collection and collation, analysis and dissemination and the application of information on the progress and impact of programmes, in order to ensure transparency and accountability, promote service delivery improvement and compliance with statutory and other requirements and a learning culture in the public sector (Presidency, 2007:5).

The Government-Wide Monitoring and Evaluation System seeks to enhance these systems by describing them and explaining how they relate to each other. The system has three components which are:

- Programme performance information
- Social, economic and demographic statistics
- Evaluations



**Figure 3.1: Components of the South African GWM&E Framework.**

Source: The Presidency (2007:7)

### **3.3.5.1. Programme Performance Information**

The lead institution responsible for performance information is the National Treasury. Role players in this area include every government institution which is required to put in place appropriate primary information structures, systems and processes to manage its performance information. The focus of this component is on information that is collected by government institutions in the course of fulfilling their mandates and implementing the policies of government. These would include output and outcome information collected at provincial level for strategic and annual performance plans and budgets, and at local level for Integrated Development Plans and Service Delivery and Budget Implementation Plans.

The aims of the Programme Performance Information Framework are to:

- Clarify standards for performance information and support regular audits of non-financial information where appropriate.
- Improve the structures, systems and processes required to manage performance information.

- Define roles and responsibilities for performance information.
- Promote accountability to Parliament, provincial legislatures, municipal councils and the public through timely, accessible and accurate publication of performance information.

### **3.3.5.2. Social, economic and demographic statistics**

The focus of this component is on information that is collected by Statistics South Africa through the census and other surveys, as well as on statistics collected by other government institutions. Within the National Statistics System (NSS), South African Statistical Quality Assessment Framework (SASQAF) distinguishes between “national statistics” and “official statistics”. National statistics are those in the public domain, but which the Statistician General has not certified as “official” in terms of Section 14.7(s) of the Statistics Act. These include surveys, registers and administrative data sets emanating from the three spheres of government and other organs of state. The private sector, research institutions and NGOs also generate statistics which are in the public domain and which could exert an influence on policy development or monitoring. For statistics to be certified as “official”, SASQAF requires that three criteria need to be met prior to assessment of the data itself:

- The producing agency should be a member of the NSS.
- The statistics should meet user needs beyond those specific and internal to the producing agency.
- The statistics produced should be part of a sustainable series, not a once off collection.

### **3.3.5.3. Evaluations**

The institution responsible for evaluation is the Presidency, however. There are other crucial role players such as the DPSA and the Office of the Public Service Commission. Cooperative Governance and Traditional Affairs (CoGTA), previously known as the Department of Provincial and Local Government (DPLG), is an important stakeholder at local level. The focus of this component is on the standards, processes and techniques of planning and conducting evaluations and communicating the results of evaluations of government programmes and policies. The aims of the Evaluations Framework are to:

- encourage government institutions to evaluate their programmes on a regular basis;
- provide guidance on the general approach to be adopted when conducting evaluations; and
- provide for the publication of the results of evaluations.

### **3.3.6. National Treasury: Framework for Managing Programme Performance Information, 2007**

The framework describes how performance information must be structured to clearly demonstrate how government utilises resources to deliver its mandate. The planning, budgeting and reporting cycle describes the relationship between these processes and emphasises that the Executive is accountable to the relevant elected body for the entire process (National Treasury, 2007:1). Full and regular reports are required at each stage of the process. At any given time within government, information from multiple years is being considered, as well as plans and budgets for the following year, implementation for the current year and the reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are developed and continues through each of the planning, budgeting, implementation and reporting stages. Within this framework, managers must manage for outcomes and to do that, managers need to formulate well-defined strategic goals and objectives; SMART objectives with appropriate indicators. In order to achieve the objectives, the work of municipalities is divided into programmes with projects linked to each to ensure that programmes are achieved (National Treasury, 2007:7).

For each programme and associated project, performance indicators are to be developed based on the following:

- the problem to be remedied;
- specific outputs, activities and inputs;
- indicators needed to measure every aspect of service delivery and output;
- realistic performance targets;
- process and format for reporting performance; and
- process and mechanisms to facilitate corrective action.

### **3.3.7. Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels, 2007**

The regulations were introduced in terms of Section 168 of the MFMA (56 of 2003) to provide for general and minimum competency levels of the accounting officers, chief financial officers, senior managers, other financial officials and supply chain management officials of municipalities and municipal entities as prescribed by Regulations 2, 4, 6 and 8 of the Municipal Regulations on Minimum Competency Levels of 2007. What the regulations seek to prescribe are the educational qualification, work experience, core managerial and occupational competence and supply chain management competence required for the relevant officials. The regulations also prescribe the assessment, reporting on and monitoring of the attainment of competence levels to be included in the performance agreements of all senior managers within each municipality.

### **3.3.8. Improving Government Performance: Our Approach, 2009**

Improving Government Performance: Our Approach 2009, also called the Green Paper on Performance Monitoring and Evaluation, aims to translate government's electoral mandate into a clear set of outcomes and output measures (SALGA, 2019:33). It is envisaged that these outcomes and output measures will assist government in delivering on the ten priority areas in the Medium-Term Strategic Framework. The Green Paper focuses on the principles of the outcomes approach to performance management. It complements the Green Paper on National Strategic Planning and introduces reforms that will facilitate improvements towards the development state. The Green Paper provides that performance management must be seen as a means to achieve success. Outcomes and output measures must be used to promote a change in behaviour and create a culture of performance. The latter requires a shift in the emphasis from inputs to managing for outcomes. The complete delivery chain that commences with the outcome and outcome measure, then defining the output measures to check whether delivery is on track, requires attention. Data obtained from the monitoring and evaluation process must be used to inform the planning process and requires a shift in focus from inputs such as budget, personnel and equipment to managing for outcomes. Managing for outcomes requires attention to the full delivery chain commencing with the outcome and outcome measure that should be achieved and then defining the output measures that must be

used to check whether delivery is on track. The outcomes approach to performance management provides the framework for achieving this delivery chain (SALGA, 2019:33).

### **3.3.9. Green Paper: National Strategic Planning, 2009**

The Green Paper sets out an institutional framework for planning and describes the outputs of planning. The Green Paper provides information on the role of sub-national spheres of government in national planning. The Green Paper indicates that the outcomes of the planning of all spheres of government will feed into the development of the National Strategic Plan. This plan will in turn define high level outcomes and impacts. Operational plans of all spheres of government must take account of the broader plan. It states that it is the function of the Executive in various spheres of government to ensure that appropriate policies and strategies are developed. It further provides for planning not to be unidirectional, rigid or top down, because different spheres of government affect one another and therefore should work together to prepare effective and efficient plans that will promote the functionality and institutional integrity of government.

The national planning institutions and processes, including the planning *makgotla* and the outcomes of such planning, enjoy pre-eminence in relation to sub-national structures, activities and products. The national strategic plan defines the framework for detailed planning and action across all spheres of government. These strategic priorities should therefore guide and govern the planning and action of all government institutions. Monitoring and evaluation is required to oversee the achievement of such strategies and plans (the Green Paper on National Strategic Planning, 2009).

### **3.3.10. Local Government Turnaround Strategy: Working Together, Turning the Tide in Local Government, 2009**

The Turn-around Strategy was formulated as a result of factors such as the quality of decision-making by councillors, the level of financial management and accountability, the revenue base and income generation, inappropriate legislation and regulation, economic conditions and weaknesses in national policy, oversight and inter-governmental relations. The aim of the Turn-around Strategy is to:

- Restore the confidence of the majority of our people in municipalities, and

- Rebuild and improve the basic requirements for a functional, responsive, accountable, effective and efficient developmental local government.

The Turn-around Strategy provides the following five strategic objectives:

- Ensure that municipalities meet the basic service needs of communities.
- Build clean, effective, efficient, responsive and accountable local government.
- Improve performance and professionalism in municipalities.
- Improve national and provincial policy, oversight and support.
- Strengthen partnerships between local government, communities and civil society.

### **3.3.11. Municipal Regulations on Standard Chart of Accounts, 2014**

The Municipal Regulations on Standard Chart of Accounts 2014, also known as mSCOA, seek to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities. The application of the mSCOA is aimed at:

- improving data quality and credibility;
- the achievement of a greater level of standardisation;
- the development of uniform data sets critical for ‘whole-of-government’ reporting;
- the standardisation and alignment of the local government accountability cycle by the regulation of not only the budget and in year reporting formats, but also the annual report and the annual financial statements formats;
- the creation of the opportunity to standardise key business processes with the consequential introduction of further consistency in the management of municipal finances;
- improving transparency, accountability and governance through uniform recording of transactions at posing account level detail; and
- enabling deeper data analysis and sector comparisons to improve financial performance.

### **3.4. CHAPTER SUMMARY**

The chapter provided an overview of the statutory and regulatory framework for performance management and performance monitoring in the public sector and in particular, local government. It became evident that monitoring of performance is a lawful obligation for every municipality, as it enhances provision of services to communities. The latter also provided an indication that every municipality is mandated with the responsibility to ensure that it has monitoring systems in place and also to ensure that municipalities appoint persons who have the necessary skills and competencies for the position they hold within municipalities, as described in the Regulations on Minimum Competency Levels of 2007. The chapter also painted a picture of how the different authorities, such as the Presidency and the Minister of Cooperative Governance and Traditional Affairs, as authorities have been delegated with the responsibilities to support the municipalities. These departments, through their Monitoring and Evaluation sections, monitor the different municipalities on the implementation of these legislations and where necessary, provide support to those municipalities who need capacity to implement these legislations in their entirety. The authorities also play a crucial role of enforcing compliance with these regulations amongst the different municipalities with the aim of ensuring that there is improved service delivery amongst the communities.

The next chapter analyses the current practices, processes and challenges and provides a picture of the state of affairs with regard to performance monitoring at Mafube Local Municipality.

## **CHAPTER 4**

### **EMPIRICAL RESEARCH: RESULTS AND FINDINGS**

#### **4.1. INTRODUCTION**

Based on the theoretical framework for performance management and performance monitoring established in Chapter 2, and the statutory and regulatory framework for performance monitoring reviewed in Chapter 3, an empirical research study was conducted at the MLM. The purpose of the empirical research was to investigate the existence or lack of existence of a performance monitoring system within the MLM.

As discussed in Chapter 1, Section 1.7, the study followed a qualitative research approach during the empirical investigation, with personal interviews as the data collection instrument. The results obtained through the personal semi-structured interviews are revealed and discussed in the following sections. Finally, the chapter concludes with the primary findings from the empirical research.

#### **4.2. RESULTS FROM THE INTERVIEWS**

Personal semi-structured interviews were conducted with the councillors (Chairpersons of the portfolio committees and members of the MPAC) of the MLM, who were selected because they play an oversight role in the overall performance of the MLM and also advise the Executive Committee (Exco) and council on matters pertaining to the performance of the MLM.

The population for the councillors at the MLM was seventeen (17) councillors. From this population, a sample of seven (7) councillors was selected to participate in the personal interviews, with four (4) councillors being the chairpersons of the portfolio committees and three (3) councillors being members of the MPAC. All seven (7) councillors were available for the interviews.

Purposive, non-probability sampling was used for the study as indicated in Chapter 1, Section 1.7.3. Purposive sampling is appropriate for this research as it involves selecting objects or individuals that will assist in providing the most crucial information about the topic under investigation (Leedy & Ormrod, 2013:152). The chairpersons of the portfolio

committees and the MPAC members were selected for the research because they provide oversight on the performance of each department within the MLM and for the overall performance of the MLM and therefore have an insight deemed relevant to the study.

In the following sections, the results obtained from the interviews with the chairpersons of the portfolio committees at the MLM are discussed. Thereafter follows a discussion on the results obtained through the interviews with members of the MPAC. The interviews with both the chairpersons of the portfolio committees and the members of the MPAC at the MLM (Annexure A) and the members of the MPAC (Annexure B) consisted of three sections:

- Section A (Consent form)
- Section B (Biographical information)
- Section C (Interview questions)

**Section A**, the consent form, was completed by all participants. Annexures A and B include the consent form (Section A) for both groups of participants.

**Section B** (for the interviews with participants from both groups), comprised of questions pertaining to participants' biographical information, requested and recorded by the researcher before the commencement of each personal interview.

For both groups of participants (chairpersons of the portfolio committees at the MLM and the members of the MPAC), the purpose of the biographical information was to establish whether the respondents who participated in the interviews were a balanced representation of councillors of the MLM, in terms of the work experience and knowledge which they possess. The results obtained from Section B (biographical information) for both groups of participants are provided and discussed in Section 4.2.1. (Chairpersons of portfolio committees) and Section 4.2.3. (Members of the MPAC).

**Section C** comprised of the interview questions for each group of participants. The purpose of the interview questions for the chairpersons of the portfolio committees at the MLM was to establish the challenges and shortcomings that they experience when dealing with the performance of each directorate within the MLM.

The purpose of the interview questions for members of the MPAC was to determine their challenges in exercising oversight over the overall performance of the MLM, including monitoring the implementation of recommendations made to the council on measures for improvement by the MLM. Section 4.2.2. (Chairpersons of the portfolio committees) and Section 4.2.4. (Members of the MPAC) reveal the results obtained from the interviews as well as an interpretation of these results.

#### **4.2.1. Biographical information – Chairpersons of the portfolio committees**

The required biographical information included their designation, their directorate, their period of deployment in the current posts, their period of deployment at the MLM, as well as their gender and age.

##### **4.2.1.1. Designation**

Participants were requested to indicate their designation in the MLM. The results revealed that all participants were chairpersons of the different portfolio committees, representing each directorate within the MLM. As the chairpersons of the portfolio committees, one of their roles is to ensure that portfolio committee meetings are held and performance reports are received from each directorate. The purpose of requesting the designation of participants was to establish whether the choice of participants was relevant to the study. The responses provided by participants to this question revealed that the participants were indeed relevant to the study.

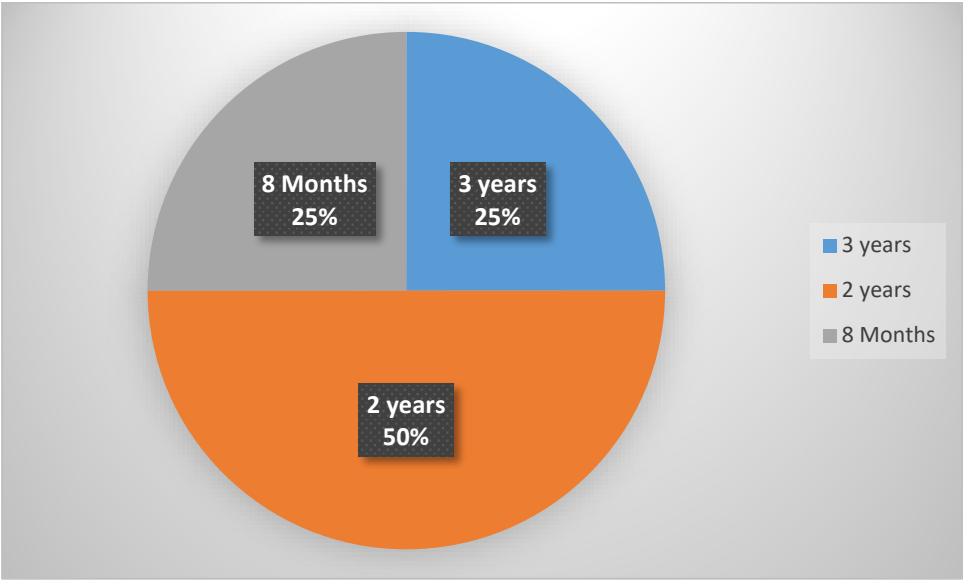
##### **4.2.1.2. Directorate**

The participants were requested to indicate the directorate in which they are deployed. The results obtained indicated that the directorates in which the participants are deployed include the following: Corporate Services, Financial Services, Community Services and Infrastructure Services. These directorates have a responsibility of ensuring that the provision of services to the community is attained.

##### **4.2.1.3. Period of deployment in current posts**

Participants were requested to indicate their period of deployment in their current posts. The results obtained from this question revealed that 50% of the chairpersons of the portfolio committees were deployed for a period of two years in their current positions,

25% were deployed for a period of three years and 25% were deployed for a period of eight months, as illustrated in Figure 4.1 below.



**Figure 4.1: Period of deployment in current posts**

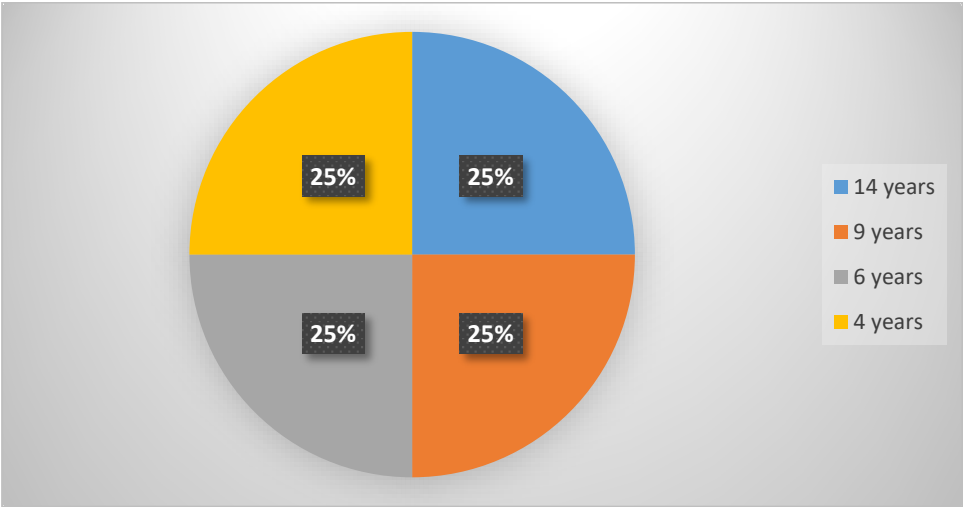
**Source:** (Researcher’s own compilation)

It is important to note that although 50% of the chairpersons of the portfolio committees have been deployed for a period of two years, 25% for a period of three years and the other 25% for a period of eight months, these councillors have been deployed as the chairpersons of other portfolios, other than the one in which they are currently serving. This therefore means that the councillors have been rotating in holding positions of chairpersons for the different portfolio committees. Thus, it can be argued that these participants should be in a position to know the MLM’s vision and strategic objectives with regard to performance monitoring.

**4.2.1.4. Period of deployment at the MLM**

The participants were requested to indicate their period of deployment at the MLM. Figure 4.2 below illustrates that 25% of the chairpersons of the portfolio committees indicated that they have been deployed at the MLM for fourteen years, another 25% have been deployed at the MLM for nine years, a further 25% have been deployed for six years and the last 25% have been deployed for four years. The results obtained reveal that the

majority of the councillors have got vast experience in the operations of the municipality, as they have been deployed as councillors for over a period of five years.

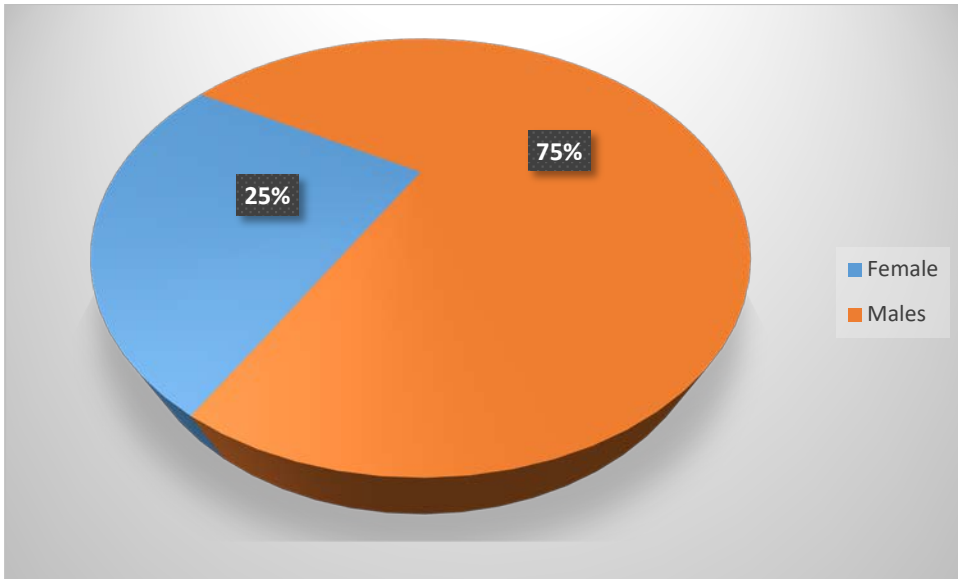


**Figure 4.2: Period of deployment at the MLM**

**Source:** (Researcher’s own compilation)

**4.2.1.5. Gender**

The purpose of requesting participants’ gender was to establish whether a significant section of the sample was female or male. The results to this question revealed that 75% of the participants interviewed were males and 25% were females, as depicted in Figure 4.3 below. Although the majority of the participants were males, which is also an indication of lack of gender equality, this finding does not have an influence on the results obtained through the interviews.

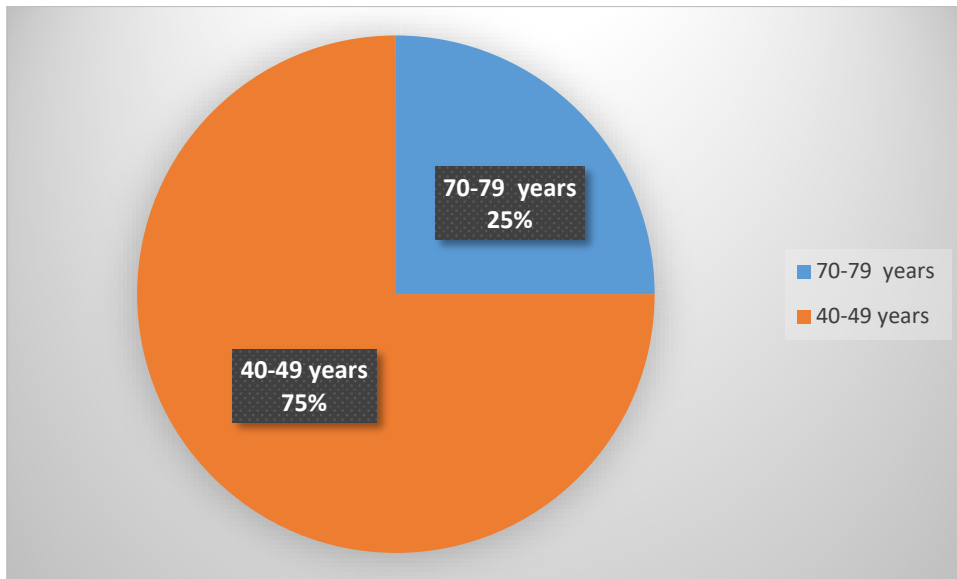


**Figure 4.3: Gender**

**Source:** (Researcher's own compilation)

#### **4.2.1.6. Age**

The results obtained in terms of participants' age revealed that 75% of participants are between the ages of 40-49 years and 25% are between the ages of 70-79, as indicated in Figure 4.4 below. It can be argued that with the majority of the chairpersons of the portfolio committees being between the ages of 40-49 years, this implies that they hold significant years of work experience, since they do not fall within the youth ambit and therefore have an understanding of the operations of the MLM.



**Figure 4.4: Age**

**Source:** (Researcher's own compilation)

#### **4.2.2. Results obtained from the interviews with the Chairpersons of the portfolio committees at the MLM**

As indicated in Section 4.2 above, the purpose of the interviews with the chairpersons of the portfolio committees was to establish the challenges and shortcomings which they experience when dealing with the performance of each directorate within the MLM. The interview questions focused on their responsibilities (as outlined in the statutory and regulatory guidelines), as well as their challenges, views, and experiences in this regard.

Further to this, the results obtained through the personal interviews with the chairpersons of the portfolio committees at the MLM are presented and interpreted in the subsequent section.

##### **4.2.2.1. The performance management system (PMS) policy in the MLM**

The first question aimed at assessing the understanding and perceptions about the existence of a policy that governs the performance of the MLM, as required by the Municipal Planning and Performance Management Regulations of 2001. All participants indicated that there is a PMS policy at the MLM, however, with regard to its last review,

they indicated that the policy has not been reviewed for some time and were not certain about the exact year in which the PMS policy was last reviewed.

#### **4.2.2.2. Level at which PMS is implemented in the MLM**

The second question aimed at establishing an understanding of the level in which the PMS is implemented within the MLM. All participants indicated that the PMS is implemented at the senior management level only, whereby the performance contracts are concluded on an annual basis between the mayor and municipal manager and between the municipal manager and the directors. From the responses obtained, it can be argued that the performance of all other staff members is not adequately managed due to the performance not being cascaded down to their level.

#### **4.2.2.3. Community involvement in the development of PMS in the MLM**

In Question 3, participants were requested to elaborate upon how the process of community involvement is undertaken during the development of the performance management system (PMS) within the MLM, as depicted in Chapter 4 of the Local Government Municipal Systems Act (32 of 2000). All of the chairpersons of the portfolio committees (100%) indicated that they have not come across an instance where the community is invited to participate in the development of the PMS and the reasons therefore are due to officials neglecting their responsibilities and lack of understanding of the work to be performed by staff members at the MLM. Participants further indicated that although the community is not involved during the development of the PMS, it is accorded an opportunity to raise concerns and complaints with regard to the performance of the MLM, through ward committees and the councillors. Due to the fact that all the chairpersons of the portfolio committees are not aware of any process where the development of the PMS involves community, it can be assumed that the officials who are responsible for the development of the PMS at the MLM do not consult the MLM's community when developing the PMS. In this respect the MLM should ensure that officials adhere to the statutory prescripts which amongst others, include Section 16 of the Local Government: Municipal Systems Act (32 of 2000), which requires the municipalities to encourage and create conditions for the local community to participate in the affairs of the municipality, including in the development of the municipality's IDP; development, implementation and review of its performance management system.

#### **4.2.2.4. Holding of portfolio committee meetings**

The purpose of this question was to establish whether the chairpersons of the portfolio committees hold regular meetings to deal with municipal matters, including the performance of the different directorates. The chairpersons of the portfolio committees were also requested to indicate the frequency with which the portfolio committee meetings are held. All of the chairpersons of the portfolio committees (100%) indicated that they hold portfolio meetings. However, 50% of the participants indicated that the portfolio committee meetings are held on a quarterly basis, and the other 50% indicated that the portfolio committee meetings are held on a monthly basis to deliberate on general issues concerning their directorates.

#### **4.2.2.5. Submission of the performance reports to the portfolio committee**

In Question 5, the chairpersons of the portfolio committees were requested to provide details on the type of reports they deliberate on during the portfolio committee meetings, to establish whether the portfolio committees receive reports specifically on the progress made with regard to the Service Delivery and Implementation Plan of each directorate (Departmental SDBIP). Fifty percent of the participants mentioned that they do receive reports, which indicates progress made with regard to the implementation of the departmental SDBIP on a quarterly basis, and 50% mentioned that they do not receive reports specifically on the progress made with regard to the departmental SDBIP, but receive comprehensive reports which include community and employees' complaints. Amongst the 50% of the chairpersons of the portfolio committees who do not receive the SDBIP progress reports, 25% indicated that the reason for not focusing on the progress made with regard to the planned performance is because there was dissatisfaction amongst the MLM employees which needed to be addressed, so that employees could be motivated to deliver according to expectation. The dissatisfaction amongst others included the discrepancies in the salaries of employees and non-payment of third parties by the MLM, which resulted in the demoralisation of the MLM employees. However, the dissatisfaction is being addressed and subsequently focus will be placed on the adequate implementation of the departmental SDBIP and the progress reports thereof will be sought as well.

#### **4.2.2.6. Challenges experienced when dealing with the performance reports**

With Question 6, the aim was to establish an understanding of the type of challenges that the chairpersons of the portfolio committees encounter when deliberating on the performance reports during their portfolio committee meetings. The responses obtained indicated that the major challenge is with regard to the provision of service delivery to the MLM community. Fifty percent of participants indicated that challenges regarding the provision of service delivery occurred as a result of amongst others, misplacement of staff in irrelevant positions, the unfunded budget, and misalignment between the IDP and the budget. The other 50% of participants indicated that the latter is perpetuated by the fact that the MLM employees are dissatisfied and demoralised, resulting in lack of accountability for poor performance within the MLM.

#### **4.2.2.7. Monitoring of performance of the MLM**

In Question 7, the aim was to assess the existence or non-existence of the monitoring of performance of each directorate within the MLM, and therefore participants were requested to provide details as to how the process of monitoring of performance is carried out in their directorates. All participants (100%) indicated that there was no monitoring conducted by the management in the directorates for which they are responsible, however, since the MLM is under Section 139 (1) (b) of the Constitution, monitoring of performance of the MLM is undertaken by the provincial government.

#### **4.2.2.8. Dealing with poor performance**

With Question 8, the aim was to assess the understanding and perceptions on how participants deal with poor performance in their respective directorates. All participants (100%) mentioned that upon the realisation of a directorate reflecting poor performance (through reports and complaints from the community), the chairpersons of the portfolio committees engage the management (director and the managers) to establish reasons for poor performance. Furthermore, the chairpersons of the portfolio committees upon receiving a report containing the root cause of poor performance, compile a report to the Executive Committee (Exco) containing recommendations that will be endorsed by the council. Recommendations include interventions such as training and workshops through skills development to assist in capacitating employees of the MLM.

#### **4.2.2.9. Reporting to the Executive Committee (Exco)**

With the last question, the aim was to establish reporting procedures at the MLM and the frequency of reporting. All participants (100%) indicated that they do compile reports on municipal matters and submit them to the Exco on a quarterly basis. Participants further indicated that the submitted reports find expression in council meetings, wherein the council pronounces on those reports.

#### **4.2.3. Primary findings from the interviews with the chairpersons of the portfolio committees at the MLM**

This section provides a summary of the significant findings on the results obtained through the interviews with the chairpersons of the portfolio committees at the MLM. The results which emanated from the interviews indicated that the chairpersons of the portfolio committees are aware of the existence of the PMS policy that regulates and guides the management, monitoring and the review of the performance of the MLM, even though they also indicated that the PMS policy is not reviewed by the management on an annual basis as required by the Municipal Planning and Performance Management Regulations of 2001. It can be further deduced that although the MLM has the PMS policy in place, the implementation of the policy does not take place, hence even a review of the policy is also not taking place.

Furthermore, the chairpersons of the portfolio committees (100%) indicated that the community is not involved during the development of the PMS, as outlined in Section 4.2.2.3. The chairpersons of the portfolio committees indicated that the latter is as a result of lack of capacity from the officials responsible for the development, management, monitoring and review of the PMS to understand what their jobs entail. The fact that the chairpersons of the portfolio committees were not aware of any meetings where the community was invited to participate in the development of the PMS is greatly concerning. There is also a great possibility that the MLM does not consult with its community when planning, managing and reviewing its PMS.

The chairpersons of the portfolio committees (100%) understand that holding of portfolio committee meetings on a quarterly basis is crucial, as it provides them with a platform to deliberate on municipal matters, particularly the progress made by each directorate in ensuring that the planned objectives and targets are attained. Although 50% of the

chairpersons of the portfolio committees, as provided in Section 4.2.2.5, indicated that they do not receive reports specifically on the progress made by the directorates regarding the predetermined objectives, they do receive reports on the concerns from the employees and also complaints from the community on service delivery issues. Measures to address these reports are also deliberated on and sought during the portfolio committee meetings.

The results obtained from the interviews indicated that the major challenges faced by the MLM are with regard to the provision of services due to insufficient budget. The MLM budget is unable to meet all the demands of the community and those of the MLM employees. The other challenge is with regard to the animosity between the MLM employees and the management, which occurred as a result of non-payment of third parties by the MLM, whereby the medical aids and the pension funds of the employees were not paid over timeously by the MLM. Favouritism of certain employees who are provided increased salary scales, and placement of unskilled employees in key positions were also challenges raised by the chairpersons of the portfolio committees, which perpetuated demoralisation of the MLM employees and resulted in employees of the MLM not performing their duties according to expectation.

Responses from the chairpersons of the portfolio committees indicated that there are continued engagements taking place with employees of the MLM to establish reasons for poor performance and to come up with corrective measures that will assist in curbing poor or non-performance. Interventions such as training and workshops have been explored to assist employees at the MLM with the necessary skills to carry out their duties according to the required standards.

Finally, results obtained from the chairpersons of the portfolio committees indicated that the MLM has been placed under Section 139 (1) (b) of the Constitution, 1996 which means that the Free State Provincial Government has taken over the administration of the MLM with the intention to assist the MLM with financial resources to address service delivery challenges and the concerns of the employees at the MLM.

The section below reveals the results obtained through the interviews with members of the Municipal Public Accounts Committee (MPAC). As was done in the preceding discussion on the results obtained from the interviews with the chairpersons of the

portfolio committees at the MLM, the section below also provides interpretations of these results as indicated by the members of the MPAC.

#### **4.2.4. Biographical information – Members of the Municipal Public Accounts Committee (MPAC)**

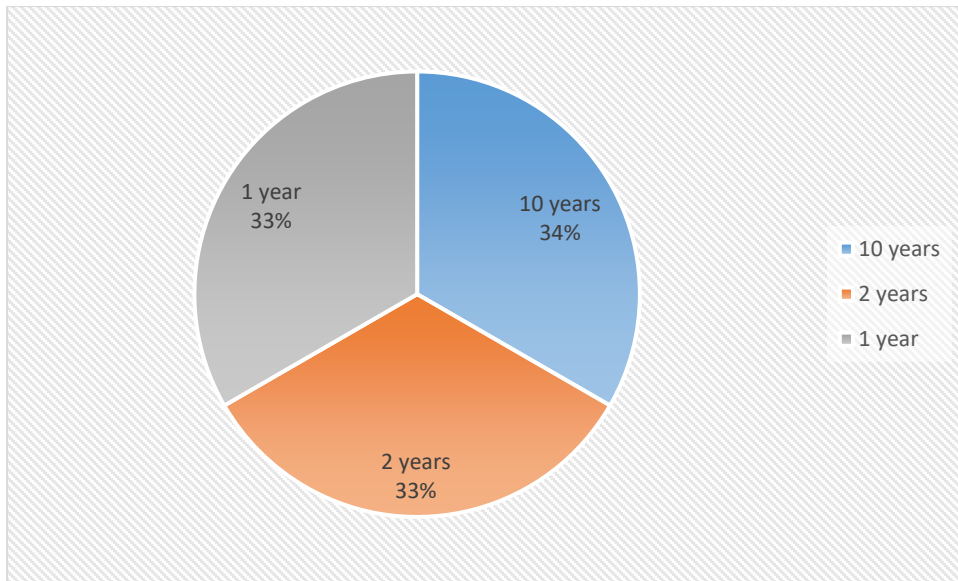
As was the case with the biographical information of the chairpersons of the portfolio committees, the required biographical information for members of the MPAC included their designation, their directorate, their period of deployment in the current posts, their period of deployment at the MLM, as well as their gender and age. The results obtained from the section pertaining to the biographical information of members of the MPAC are graphically presented in Figures 4.5 to 4.8 below:

##### **4.2.4.1. Designation**

Participants were requested to indicate their designation in the MLM. The results revealed that one amongst the participants was the Chairperson of the MPAC, and two participants were members of the MPAC at the MLM. As members of the MPAC, their major role is to exercise oversight over the performance of the MLM.

##### **4.2.4.2. Period of deployment in current posts**

Participants were requested to indicate their period of deployment as members of the MPAC. The results obtained from this question revealed that 34% of the members of the MPAC were deployed for a period of ten years in the MPAC, 33% were deployed for a period of two years and the other 33% were deployed for a period of one year in the MPAC as illustrated in Figure 4.5 below.



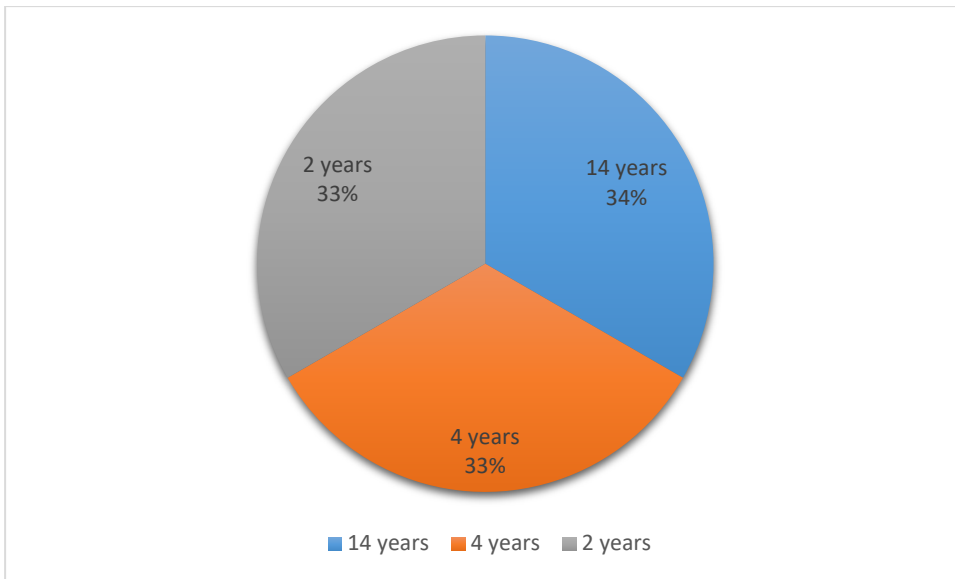
**Figure 4.5: Period of deployment at the current posts**

**Source:** (Researcher's own compilation)

With the 34% of members of the MPAC which have served in the MPAC for a period that is in excess of five years, certainty with regard to how the MLM manages and monitors its performance can be guaranteed.

#### **4.2.4.3. Period of deployment at the MLM**

The participants were requested to indicate their period of deployment at the MLM. Figure 4.6 below illustrates that 34% of members of the MPAC indicated that they have been deployed at the MLM for fourteen years, 33% have been deployed at the MLM for four years and the other 33% have been deployed at the MLM for two years. The results obtained reveal that the majority of the councillors have got vast experience in the operations of the municipality, as they have been deployed as councillors of the MLM for over four years.

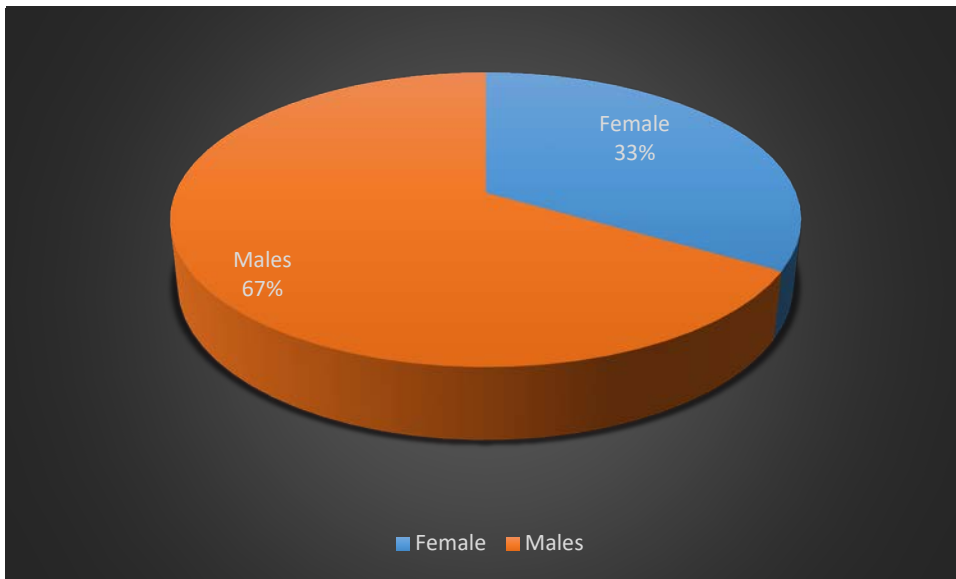


**Figure 4.6: Period of deployment at the MLM**

**Source:** (Researcher's own compilation)

#### 4.2.4.4. Gender

The purpose of requesting participants' gender was to establish whether a significant section of the sample was female or male. The results to this question revealed that 67% of the participants interviewed were males and 33% were females, as depicted in Figure 4.7 below. Although the majority of the participants are males, which is also an indication of lack of gender equality, this finding does not have an influence on the results obtained through the interviews.

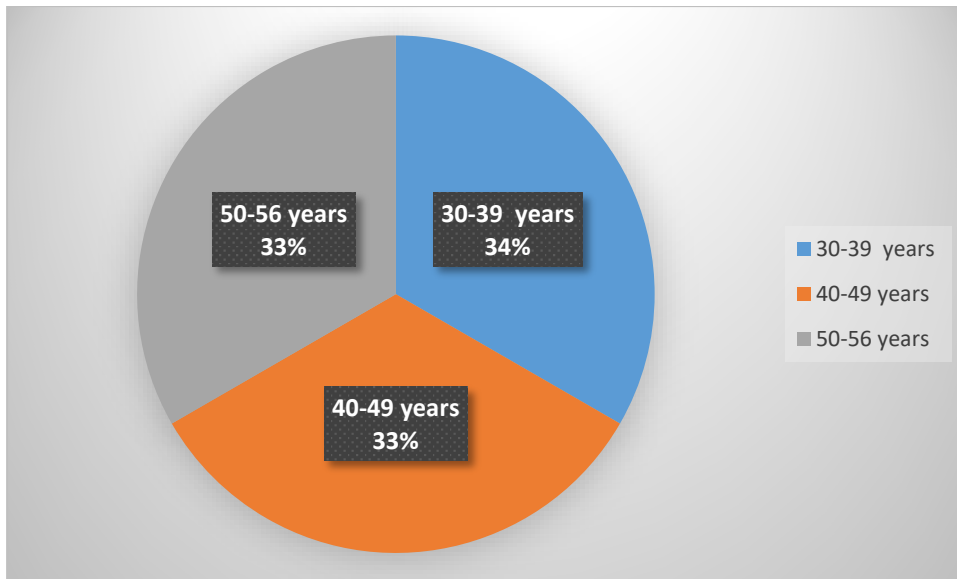


**Figure 4.7: Gender**

**Source:** (Researcher's own compilation)

#### **4.2.4.5. Age**

The results obtained in terms of participants' age revealed that 34% of participants are between the ages of 30-39 years, 33.% are between the ages of 40-49 years and the other 33.% are between the ages of 50-59, as indicated in Figure 4.8 below. It can be argued that having the different age groups within the MPAC brings out the different ideas and skills on how to deal with pertinent issues regarding performance of the MLM.



**Figure 4.8: Age**

**Source:** (Researcher's own compilation)

#### **4.2.5. Results obtained from the interviews with members of the MPAC at the MLM**

As indicated in Section 4.2 above, the purpose of the interviews with members of the MPAC was to determine their challenges in exercising oversight over the overall performance of the MLM, including monitoring the implementation of recommendations made to the council on measures for improvement by the MLM. The interview questions focused on their responsibilities (as outlined in the statutory and regulatory guidelines), as well as their challenges, views, and experiences in this regard.

Further to this, the results obtained through the personal interviews with members of the MPAC at the MLM are presented and interpreted in the subsequent section.

##### **4.2.5.1 Roles and responsibilities of the MPAC**

The aim of this question was to assess the level of understanding from the members of the MPAC on the role which they play in the overall performance of the MLM. All members of the MPAC indicated that their role is mainly one of oversight over the performance of the municipality, by ensuring that inadequate performance that contributes negatively towards the attainment of the MLM objectives and targets is dealt with and that financial

resources are utilised optimally and not misused by either the staff or the councillors within the MLM.

#### **4.2.5.2 Holding of meetings to deal with municipal matters**

With this question, the aim was to assess whether the MPAC holds meetings regularly to deliberate on performance issues. All members of the MPAC (100%) indicated that the meetings are held on a quarterly basis where deliberations on the status of the MLM's performance are carried out.

#### **4.2.5.3 Submission of financial and non-financial performance reports to the MPAC**

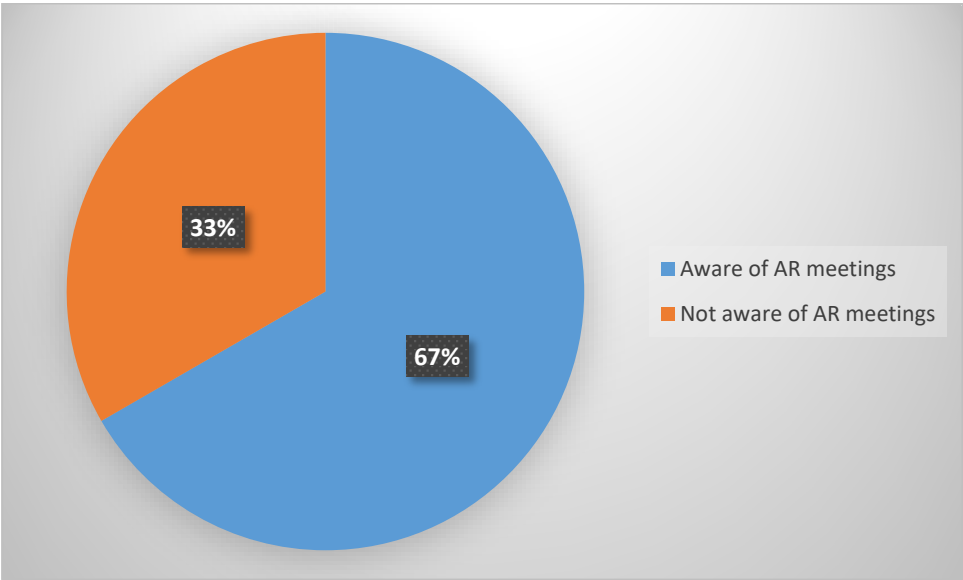
In Question 3, the rationale behind this question was to get an understanding from members of the MPAC on the type of reports they receive from the management, and whether financial reports in terms of Section 71 of the Municipal Finance Management Act, (56 of 2003) and non-financial reports in terms of Section 52 of the Municipal Finance Management Act (56 of 2003) are received by the MPAC. All members of the MPAC (100%) indicated that both reports are received and deliberated on, however reports are not always received on time by the MPAC, which poses a challenge to the oversight duty that the MPAC is supposed to perform.

#### **4.2.5.4 How to deal with fruitless, wasteful and unauthorised expenditure**

In Question 4, members of the MPAC were requested to explain how they handle the issue of financial resources not being utilised adequately resulting in fruitless expenditure, wasteful expenditure and unauthorised expenditure, which is also an indication of poor financial management. One hundred percent of participants indicated that the MPAC subjects reports indicating such poor financial management to internal investigations, whereby attempts to recover such loss of monies from officials who contributed to that fruitless, wasteful and unauthorised expenditure are undertaken through recommendations to council to endorse actions to be taken. Members of the MPAC further indicated that the latter is even escalated further to external investigation, where forensic investigations are undertaken if there are suspicions of possible fraud and corruption and the outcome of the investigation determines whether the perpetrators should face legal action or not.

**4.2.5.5 Meetings held to consider the Annual Report of the MLM**

The rationale behind this question was to gather an understanding on the agenda items of the MPAC meetings, particularly whether there are meetings scheduled specifically to deliberate and consider the MLM’s Annual Report (AR). According to Circular 63 of the MFMA, an annual report is a report which contains a record of all transactions that occurred in a financial year, the Auditor General of South Africa’s report and the Annual Financial Statements of the MLM, as required by Section 129 of the Municipal Finance Management Act, (56 of 2003). The results as illustrated in Figure 4.9 below indicate that 67% of members of the MPAC mentioned that there is a meeting that is scheduled to deal with the MLM’s Annual Report and the latter is held annually post the auditing of the submitted Annual Performance Report to the Auditor General of South Africa. Thirty-three percent of members of the MPAC indicated that they are not aware of the meetings dedicated to the Annual Report. The reason for this is that they have only served in the MPAC as of 2019 and therefore have not yet dealt with the recent Annual Report (2019/20). The 2019/20 financial year recently ended in June 2020, which means that the process of the development of the 2019/20 Annual Report has not been finalised as yet.

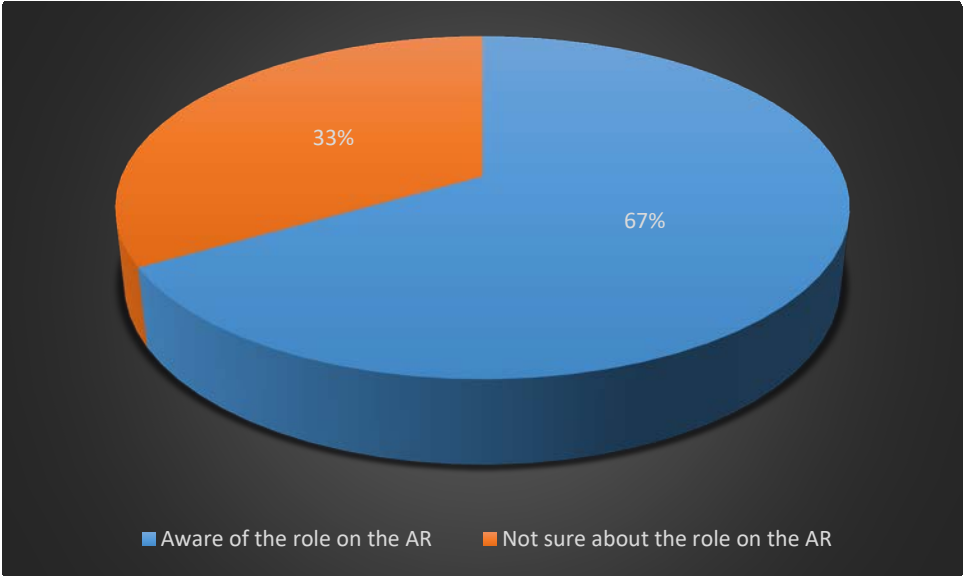


**Figure 4.9: Annual Report meetings**

**Source:** (Researcher’s own compilation)

**4.2.5.6 The MPAC’s role in the Annual Report**

With Question 6, the aim was to assess the level of understanding with regard to the exact role that the MPAC should play in the MLM’s Annual Report. The results obtained are depicted in Figure 4.10 below and reveal that 67% of the members of the MPAC indicated that in consideration of the Annual Report, they pay particular attention to the findings raised by the Auditor General of South Africa and develop a report which includes issues of concern raised by the MPAC. Sixty-seven percent of the members of the MPAC further indicated that their report also includes the recommendations to the council about the oversight work that the MPAC performed on the MLM’s Annual Report, and 33% indicated that they are not privy to what the role of the MPAC is in the Annual Report as it’s only been a year since they were deployed as part of the MPAC.



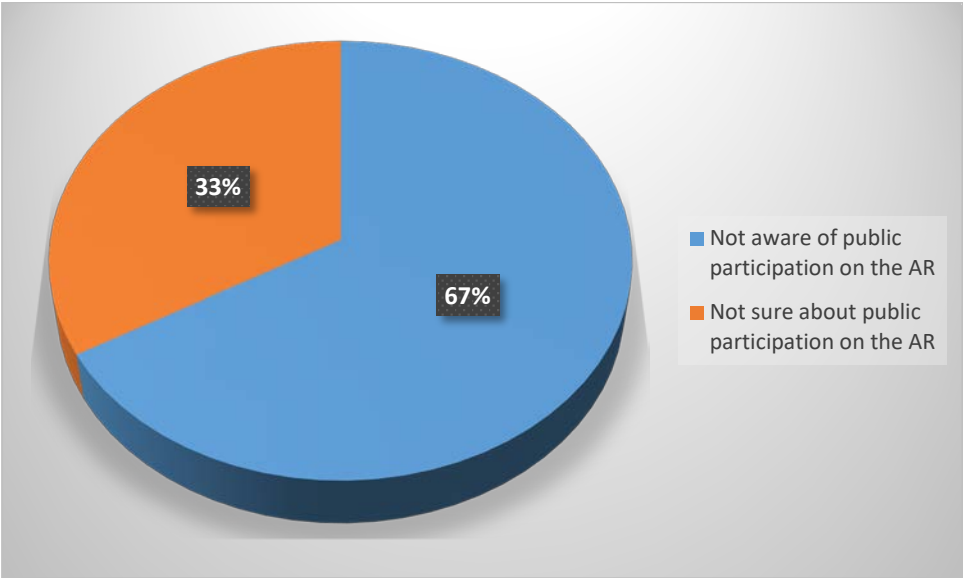
**Figure 4.10: The MPAC’s role in the Annual Report**

**Source:** (Researcher’s own compilation)

**4.2.5.7 Annual Report public participation at the MLM**

Members of the MPAC were requested to indicate whether the Annual Report of the MLM is subjected to the public for comments and inputs as required by Section 21 of the Local Government: Municipal Systems Act, (32 of 2000). The results reveal that 67% of the members of the MPAC responded by saying that they do not recall any public meeting

regarding the Annual Report, however in the previous financial years (until the 2017/18 financial year) the MLM used to write a notice which invited public comments on the MLM's Annual Report, which is not the case anymore. Thirty-three percent of the members indicated that they are not privy to that information, as they have only recently served in the MPAC (Outlined in Figure 4.11).

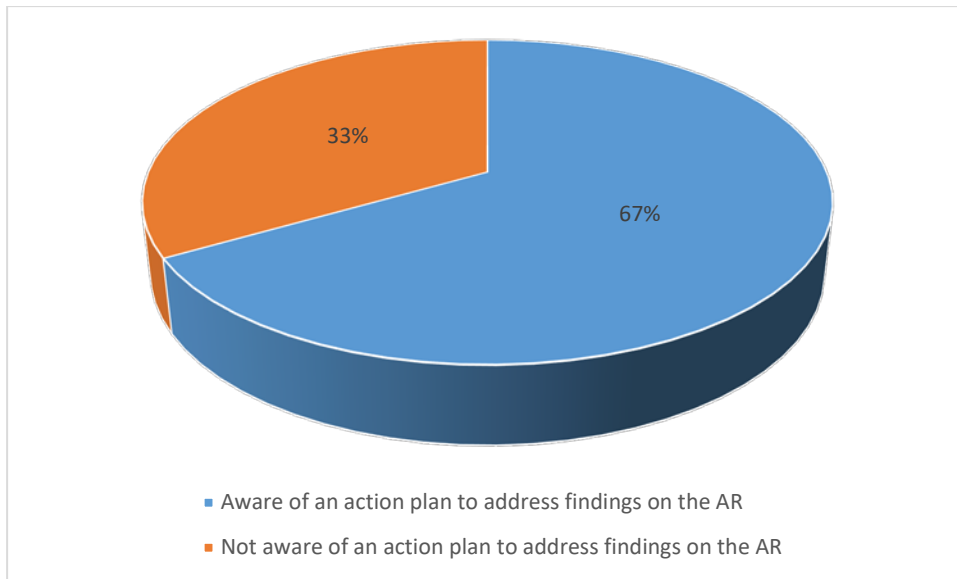


**Figure 4.11: Public participation in the Annual Report**

**Source:** (Researcher's own compilation)

**4.2.5.8 Action Plan to Address Auditor General of South Africa's findings in the MLM's Annual Report**

With Question 8, the purpose was to assess whether the MLM develops an action plan which aims to address the findings that the Audit Report has outlined. The results obtained are outlined in Figure 4.12 below and reveal that 67% of the members of the MPAC indicated that the management of the MLM develops an action plan to address issues raised during the audit. However, implementation of the plan is not taking place and there is no improvement in the performance of the MLM. Thirty-three percent of the members of the MPAC were not aware of any action plan, since they have only served on the MPAC since 2019.

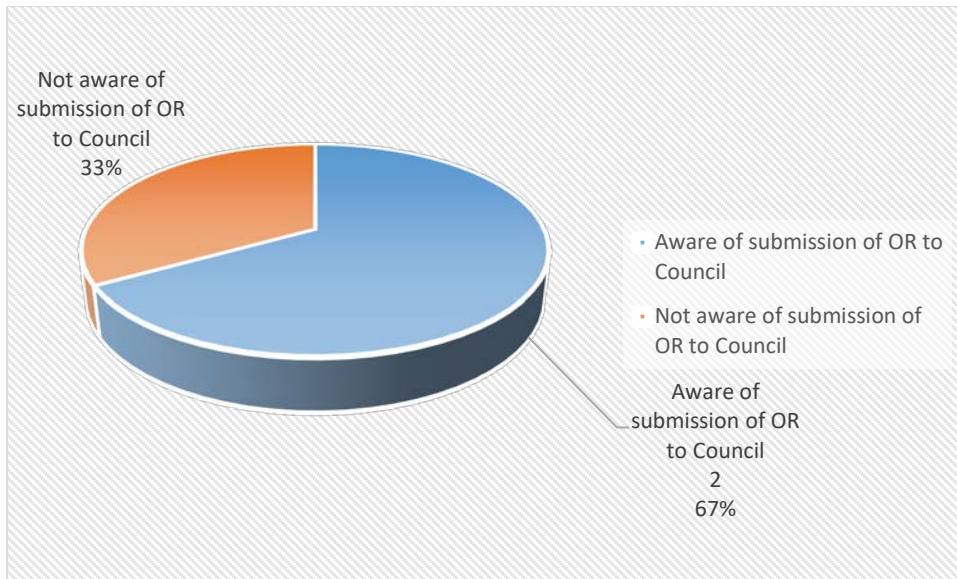


**Figure 4.12: Action Plan to address findings on the Annual Report**

**Source:** (Researcher’s own compilation)

#### **4.2.5.9 Submission of an Oversight Report over the MLM Annual Report to the Council.**

Members of the MPAC were requested to indicate whether they compile an Oversight Report (OR) of the MLM’s Annual Report and submit the Oversight Report to council as required by Section 129 of the Municipal Finance Management Act, (56 of 2003). Sixty-seven percent of the members of the MPAC indicated that after deliberating on the MLM’s Annual Report, they develop an Oversight Report containing recommendations to council regarding the MLM’s Annual Report. Thirty-three percent of the members of the MPAC were not aware of an Oversight Report, since they only formed part of the MPAC since 2019. The latter is outlined in Figure 4.13 below.

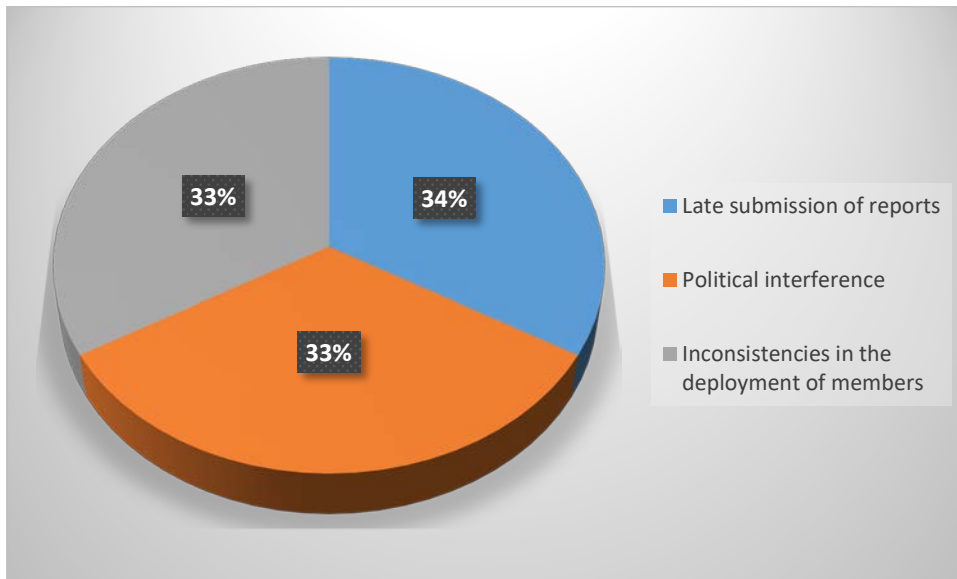


**Figure 4.13: Submission of Oversight Report to Council**

**Source:** (Researcher’s own compilation)

#### 4.2.5.10 Challenges experienced with regard to the performance of the MLM

Members of the MPAC were requested to describe the challenges which they come across in executing their oversight role over the performance of the MLM. Thirty-four percent of members of the MPAC indicated that the challenges experienced are late submission and sometimes non-submission of reports by the management for the quarterly reviews performed by the MPAC. Thirty-three percent of members of the MPAC indicated that the major challenge faced by the MPAC is the political interference over the actions taken by the MPAC to bring about accountability for mismanagement of funds within the MLM. The final 33% indicated that the challenge faced by the MPAC is the one of inconsistency in the deployment of councillors in the MPAC committee, whereby councillors who have gained vast knowledge and experience to deliberate on financial management, are changed and moved to serve on other committees. The latter impedes the functionality of the MPAC because it results in inexperienced councillors being deployed to serve on the MPAC and it becomes difficult to deal with and interpret the financial reports.



**Figure 4.14: Challenges experienced by the MPAC**

**Source:** (Researcher’s own compilation)

#### **4.2.5.11. The existence of a consequence management policy at the MLM**

With the last question, members of the MPAC were requested to indicate whether the MLM has a consequence management policy to instill discipline and curb fraud and corruption with the MLM. One hundred percent of the MPAC members indicated that there is no consequence management policy at the MLM, and further indicated that the introduction of such a policy is necessary as it will assist to a great extent to instill order and discipline within the MLM.

#### **4.2.6. Primary findings from the interview with members of the MPAC**

This section provides a summary of the significant findings on the results obtained through the interviews with members of the MPAC at the MLM. The results which emanated from the interviews indicated that members of the MPAC are aware and have an understanding of their roles and responsibilities as members of the MPAC. They further projected an understanding of one of their functions, which provides them with authority to investigate the mismanagement of funds at the MLM and thereafter, make recommendations to council for council to take appropriate resolutions.

All members of the MPAC understand that as the MPAC, they must ensure that they hold meetings regularly to consider quarterly financial and non-financial reports of the MLM, hence they indicated that meetings are held on a quarterly basis in Section 4.2.5.2. Although the MPAC indicated that meetings are held on a quarterly basis, performance reports are not always submitted on time by the management as indicated in Section 4.2.5.3. The fact that performance reports are not developed and submitted to the MPAC on time, poses assumptions that the performance reports are not as credible as they should be, since they are done at the last moment just for malicious compliance's sake.

All members of the MPAC indicated that upon receiving reports which reflect mismanagement of funds, they conduct investigations to establish which persons are responsible for such mismanagement of funds. They also recommend to council that those persons be subjected to disciplinary actions, and also recover those monies that would have been misused. Although members of the MPAC indicated that they instigate investigations on the mismanagement of funds and take actions against the perpetrators, it was discovered in Section 4.2.5.10 that there are challenges of interference with the work performed by the MPAC, whereby resolutions taken are rescinded and the sanctions taken against the perpetrators are lifted. It can be deduced that although the MPAC holds meetings on a quarterly basis to deal with the overall performance of the MLM and deal accordingly with mismanagement of funds within the MLM, there is a great possibility that the work of the MPAC is not appreciated. The latter is reflected by interference from some of the politicians whose actions do not project objectivity. This can further result in a great possibility of the MPAC members being unable to execute their functions optimally as they are supposed to do.

As indicated in Sections 4.2.5.5 - 4.2.5.9, only 67% of members of the MPAC were able to provide responses with regard to the MLM's Annual Report, based on their vast experience in serving as members of the MPAC at the MLM. Thirty-three percent of members of the MPAC have only one year's experience in serving as members of the MPAC and have not yet dealt with the Annual Report. Results obtained from the 67% indicated that the MPAC holds meetings specifically to consider the MLM's Annual Report. They have also projected an understanding that the Annual Report is a crucial report of the MLM, as it serves as a record of all the transactions that occurred in a particular financial year and therefore has to be deliberated on to determine whether

everything went according to the planned objectives and targets. Sixty-seven percent of the members of the MPAC further indicated that in considering the MLM's Annual Report, more focus is placed on the findings raised by the Auditor General of South Africa during the auditing of the MLM's Annual Report and that they make recommendations to council on the Action Plan to address those findings. The fact that 67% of members of the MPAC were not aware of recent public participation conducted on the MLM's recent Annual Report (2018/19), implies that there is a great possibility that the MLM's community is not accorded an opportunity to scrutinise the MLM's Annual Report and make inputs to form part of the MPAC's Oversight Report to be tabled in council.

All members of the MPAC indicated that there is no consequence management policy to instill discipline and provide accountability at the MLM. As a result, everyone at the MLM does as they please because they know that no actions will be taken against them. Members of the MPAC further indicated that the introduction of a consequence management policy is necessary and can assist the MLM to a great extent with the issue of holding everyone accountable for their actions.

#### **4.3. CHAPTER SUMMARY**

This chapter focused on the empirical research that was conducted, based on the preceding theoretical chapters and a framework for performance monitoring at the MLM. Results obtained through personal interviews with the chairpersons of the portfolio committees and members of the MPAC were presented and interpreted in this chapter.

From the interviews conducted with the chairpersons of the portfolio committees it was established that although the MLM has a PMS policy in place, which is supposed to provide guidance in the management, monitoring and review of the MLM's performance, the policy is outdated. It became evident that the implementation of the PMS policy is not taking place at the MLM, thereby rendering the performance management system of the MLM ineffective. Results obtained from the chairpersons of the portfolio committees also revealed that the MLM does not consult its community when dealing with the affairs of the MLM, particularly in the development of the MLM's performance management system. It was apparent that the community is not consulted due to the MLM placing incompetent officials in strategic positions to ensure the management of the performance at the MLM.

Lack of consultation of the community in performance of the MLM poses a great concern with regard to the synergy between the quality of services offered by the MLM and what the community's needs and concerns are. These results caution the MLM to provide on the job training for its staff members and councillors, to allow them to be able to perform their duties optimally. The MLM also needs to establish a relationship with its community by ensuring that it consults the community from the planning phase of the MLM' performance management, through the implementation phase (providing progress on the implementation of the service delivery plans) until the review phase. Consultation of the community will assist the MLM to govern in a manner that provides democracy, accountability and transparency amongst its community.

Results obtained from the interviews with members of the MPAC revealed that the MLM has no consequence management policy in place to instill accountability amongst officials and councillors of the MLM. The latter has resulted in the MLM being placed under Section 139 (1) (b) of the Constitution of South Africa, 1996 due to the inadequacy in the financial management controls. It was also established that there are challenges that hinder the impartial work done by the MPAC. These challenges include non-implementation of the audit action plan on the issues raised by the Auditor General of South Africa, and the interference with the sanctions invoked on those officials whose actions contribute to the mismanagement of funds at the MLM.

It can be argued that the MLM should make an effort to introduce a consequence management policy which will serve as a 'watch dog' on the running of the MLM. The latter will assist to a great extent in instilling accountability for every action taken by the officials and councillors at the MLM, thereby bringing about improvement in the conduct of the officials and councillors with the MLM.

The next chapter provides a number of recommendations that can be explored by the MLM to ensure monitoring of its performance. Chapter 5 also presents a summary of the research study and the primary findings of the study.

## CHAPTER 5

### CONCLUSION AND RECOMMENDATIONS

#### 5.1. INTRODUCTION

The aim of this study was to determine how to improve the monitoring of performance within the MLM, by way of investigating the existence or lack of existence of a framework for performance monitoring at the MLM. In pursuit of this study, the following research objectives were explicated:

- To establish a theoretical exposition of performance management and, in particular, performance monitoring in local government.
- To analyse the statutory and regulatory guidelines for performance monitoring in local government.
- To establish, through an empirical investigation, the current circumstances and challenges in monitoring performance within the MLM.
- To provide recommendations on how the overall performance of the MLM can be improved, through a monitoring framework.

An in-depth literature review was conducted on the management and monitoring of performance in local government (Chapter 2); a statutory and regulatory framework for the management and in particular, the monitoring of performance was explicated (Chapter 3); and an empirical study was conducted, using semi-structured, personal interviews as the data collection instrument (Chapter 4).

In this chapter, the study reaches a conclusion, and a summary of the previous preceding chapters is provided, followed by a discussion of the primary findings of the study. Furthermore, a proposed monitoring framework is presented, and recommendations are made on how the MLM can improve the monitoring processes of its performance. Finally, this chapter provides an indication for possible future research on the topic and provides a final conclusion to the study.

## 5.2. SUMMARY OF THE CHAPTERS

**Chapter 1** provided a background and an orientation to the service delivery challenges faced by local government, with particular focus placed on lack of monitoring systems at the MLM, as described in the Auditor General of South Africa's reports (2016:1-11).

The intended purpose of the study was to determine how to improve the monitoring of performance within the MLM, by way of investigating the existence or lack of a framework for performance monitoring and proposing a performance framework that would make it possible for the performance of the municipality to be measured, monitored frequently and periodically reported on. The study argued that a monitoring framework can assist the MLM to improve its overall performance, as it will provide the MLM with an early warning signal for possible non-attainment of service delivery objectives and targets.

Chapter 1 also outlined the research methodology that was followed in this study. The study followed a qualitative research approach with a case study as the research design. Further to this, the empirical research was conducted by means of semi-structured interviews with chairpersons of the portfolio committees as well as members of the MPAC.

**Chapter 2** provided a theoretical overview of performance management and performance monitoring in the public sector. Performance monitoring was conceptualised and the significance of monitoring performance was also explained. The role players in the monitoring of performance and the characteristics of a monitoring framework were also discussed. In dealing with the characteristics of the monitoring framework, a few monitoring systems from other countries such as Uganda and Norway were explicated, with a view to compare and draw lessons from these countries. The review on those monitoring systems revealed a common element between all of these countries, including South Africa, which makes use of the Government Wide Monitoring System. The common element in the monitoring systems of these countries is that in order for an M&E system to be efficient, it should provide for setting of precise and concise performance indicators, targets and objectives and also provide for measuring of progress with regard to the implementation of those performance indicators and objectives to promote the attainment of service delivery targets.

The chapter also included a discussion on the Balanced Score Card (BSC) Model as one of the methods used for the monitoring of performance by different organisations. The

four perspectives of the BSC were explained in detail which are: the financial perspective; the perspective of users; the internal processes perspective and the learning and growth perspective. The BSC provided perspectives on the extent to which organisations are able to measure how they perform by not only relying on the financial information, but taking into account both financial and non-financial information.

The last section of the chapter provided a brief discussion on the theories of performance management. Two relevant theories were selected for the study and they included: (1) the Goal Setting Theory of Motivation; and (2) the Contingency Theory. The Goal Setting Theory describes two cognitive determinants of behaviour, which are values and intentions (goals). The Goal Setting Theory emphasises the importance of setting of goals through programmes such as strategic planning sessions, as a means to improve and sustain performance of an organisation. The Goal Setting Theory also argues that accomplishing the goals can lead to satisfaction and further motivation, or frustration and lower motivation if the goals are not accomplished.

The second theory explored is the Contingency Theory which has an organisational outcome of the consequence of a "fit" or match between two or more factors. The Contingency Theory emphasises integration (fit) between organisational environment, strategy, structure, systems, style and culture and posits that in order for organisations to be successful, they should adopt structures that best suit their circumstances (Van de Ven & Drazin, 1985:1).

**Chapter 3** discussed the different statutory and regulatory guidelines of performance management and performance monitoring in local government. The Constitution of South Africa, 1996 mandates municipalities with the responsibility of ensuring that they provide services to the communities in a sustainable manner. Therefore, municipalities are expected to put in place systems that will assist to manage and monitor service delivery programmes and plans. Section 38 of the Local Government: Municipal Systems Act (32 of 2000) provides for the establishment of a performance management system that is commensurate to each municipality's resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in each municipality's integrated development plan (IDP). Furthermore, municipalities are mandated with the responsibility of promoting a culture of performance management amongst their political

structures, political office bearers, councillors and the administration, and to also administer their affairs in an economical, effective, efficient and accountable manner.

Municipalities are obliged to promote efficient, economic and effective use of resources as one of the principles and values portrayed in Section 195 of the Constitution of South Africa, 1996. In order for the municipalities to meet this principle, they need to adhere to the provisions of the Local Government: Municipal Finance Management Act, (56 of 2003) (MFMA). The MFMA (56 of 2003) has the objective of securing sound and sustainable management of the fiscal and financial affairs of municipalities by establishing norms and standards for ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities. Furthermore, the MFMA (56 of 2003) provides for the development of a municipality's annual budget, service delivery and budget implementation plan (SDBIP) and reporting of the status of affairs of the municipality to the communities and stakeholders throughout the financial year. The latter is consistent with the provision of other prescripts which include: The White Paper on the Transformation of the Public Service (WPTPS) of 1997; the Municipal Planning and Performance Management Regulations of 2001 (MPPR); the Government-Wide Monitoring and Evaluation System, 2006; the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006; the Green Paper: National Strategic Planning, 2009; the Local Government Turnaround Strategy: Working Together, Turning the Tide in Local Government, 2009 and the Municipal Regulations on Standard Chart of Accounts 2014.

**In Chapter 4**, the results obtained from the empirical research were presented and interpreted. The results were obtained through personal interviews conducted with the chairpersons of the portfolio committees and members of the MPAC. The most significant results obtained from the empirical research are presented hereunder.

This section provides a summary of the significant findings on the results obtained through the interviews with the chairpersons of the portfolio committees at the MLM. The results which emanated from the interviews indicated that the chairpersons of the portfolio committees are aware of the existence of the PMS policy that regulates and guides the management, monitoring and the review of the performance of the MLM, even though they also indicated that the PMS policy is not reviewed by the management on an annual basis as required by the Municipal Planning and Performance Management Regulations

of 2001. It can be further deduced that although the MLM has a PMS policy in place, the implementation and the review of the policy are not prioritised accordingly.

- The MLM's performance management policy is outdated and therefore does not guide and address current performance operations and challenges.
- The community is not involved in the critical affairs of the MLM, such as in the development of the performance management system and the review of the annual report.
- One of the major challenges facing the MLM is provision of quality services to its communities, which is due to the budgetary constraints experienced by the MLM. The latter has also resulted in the MLM being placed under Section 139 (1) (b) of the Constitution, 1996, whereby the Free State Provincial Government has taken over the administration of the MLM.
- Participants understand that their roles and responsibilities are to discharge oversight on the overall performance of the MLM.
- Participants understand their mandate of ensuring that they hold regular (quarterly) meetings to deliberate on municipal affairs.
- The MLM does not have a consequence management policy in place to instill discipline and provide accountability at the MLM, however the introduction of the policy is appreciated by the participants.

**Chapter 5** (this chapter) provides the study with a proposed performance monitoring framework for the MLM. The chapter also provides conclusions and recommendations on the results obtained through the empirical research. The next section considers the primary findings of the study in the context of the research objectives that the study intended to attain.

### **5.3. PRIMARY FINDINGS OF THE STUDY**

The research problem of the study as indicated in Section 5.1 above is to determine how to improve the monitoring of performance within the MLM, by way of investigating the existence or lack of existence of a framework for performance monitoring at the MLM. To address this research problem, specific research objectives were set and subsequently addressed in the preceding chapters of the study. These objectives were achieved

through a thorough literature review and empirical investigation conducted. The section below explicates the attainment of each research objective of this study:

- **To establish a theoretical exposition for performance management and, in particular, performance monitoring in local government.**

In response to the first research objective, a theoretical framework for performance management and performance monitoring was established. The theory in this chapter provided the significance and purpose of performance monitoring in local government, whereby it was discovered that the monitoring and evaluation system (M&E) assists an organisation with decision-making, to prioritise accordingly and channel its resources in the right direction. Furthermore, M&E serves as a tool which periodically tracks whether the individual's and the organisation's outputs are attained through regular reporting, thus promoting a culture of accountability amongst administrative and political leadership within organisations. The results obtained from the empirical research under Chapter 4, Section 4.2.2.7, Section 4.2.5.3 and Section 4.2.5.7 revealed that 100% of the participants indicated that monitoring of performance is not done, as performance reports are not compiled and submitted on time. Sixty-seven percent of participants also indicated that even the annual report is not submitted to the public for inputs and comments, thereby not providing accountability and transparency to the community as required by the Constitution, 1996. It can be argued that the latter could be a reason why the MLM is currently placed under Section 139 (1) (b) of the Constitution, 1996.

Furthermore, the study revealed the role players and their roles and responsibilities in performance monitoring. The results obtained from the empirical research revealed that participants were aware of their roles and responsibilities with regard to the performance management and performance monitoring. This was indicated in Chapter 4, Section 4.2.5.1, where 100% of participants indicated that their role is to discharge oversight over the overall performance of the MLM, including investigating possible mismanagement of funds. However, the results obtained also revealed that there was political interference in the work performed by participants, which hinders participants to discharge their roles and responsibilities adequately (see Chapter 4, Section 4.2.5.10). The political interference can be attributed to the fact that there is no consequence management policy at the MLM

which results in lack of accountability amongst MLM employees and councillors. Thus, the introduction of a consequence management strategy is a necessity to guard against inappropriate behaviour.

The study also elucidated the characteristics of a performance monitoring framework, where it was revealed that one of the significant characteristics of a performance monitoring framework is the creation of a strong performance culture within an organisation. The latter is coupled with effective rewards and sanctions within an organisation, wherein there should be rewards linked to performance which will ensure that the agreed upon goals and objectives are attained. The results obtained through empirical research revealed that the performance management system policy of the MLM is outdated (see Chapter 4, Section 4.2.2.1). The fact that the performance management system policy is not reviewed annually to address current performance challenges, validates that the MLM has not instilled a performance culture amongst its employees. The latter is supported by Section 4.2.2.2 in Chapter 4, which indicated that the performance management system is only implemented at the senior management level and has not been cascaded down to other levels to encourage improved employee performance within the MLM.

Theories relevant to performance management were also reviewed in Chapter 2. These theories were the Goal Setting Theory of Motivation and the Contingency Theory. These theories emphasised the importance of involving employees in goal setting programmes as well as the integration of systems that are suitable for organisations' environments such as strategies, and a culture to produce positive organisational outcomes. The Goal Setting Theory further asserts that employees who participate in setting their own specific goals are motivated to perform better, which will result in the organisational goals also being attained (Lunenburg, 2011:1). In relation to this, the results obtained from the empirical research revealed that the MLM's current systems are not consistent with the operating standards. The latter is attributed to the fact that the performance management system is not reviewed annually to address current circumstances; the performance management system is only implemented at senior management level, thereby limiting individual employees from participating in setting their own goals, and lack of public participation strategy to ensure that the public is involved in the affairs of the MLM (See Chapter 4, Section 4.2.2.1, Section 4.2.2.2 and Section 4.2.2.3).

- **To determine the statutory and regulatory guidelines for performance monitoring in local government.**

Chapter 3 of the study provided the statutory and regulatory framework pertaining to the management and monitoring of performance. The legislative review revealed that local government is mandated by Section 152 of the Constitution, 1996 to ensure that it provides the communities with services in a sustainable manner. There are other legislations and regulations which govern performance management and performance monitoring in local government which prove that service delivery plans have to be prioritised, implemented and monitored frequently by the municipalities. These legislations and regulations include: the Local Government: Municipal Structures Act (117 of 1998); the Local Government: Municipal Systems Act (32 of 2000) (MSA); the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA); the White Paper on the Transformation of the Public Service (WPTPS) of 1997; the Municipal Planning and Performance Management Regulations of 2001 (MPPR); the Government-Wide Monitoring and Evaluation System, 2006; the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006; the Green Paper: National Strategic Planning, 2009; the Local Government Turnaround Strategy: Working Together, Turning the Tide in Local Government, 2009 and the Municipal Regulations on Standard Chart of Accounts 2014.

The results obtained from the empirical research revealed that the MLM does not conform to the above-mentioned prescripts. This is proved by the fact that 100% of the participants indicated that the performance management system is not reviewed on an annual basis as required by the Municipal Planning and Performance Management Regulations of 2001 (MPPR); and the community is not involved in the development of the MLM's performance management system and in the annual report, as provided for by Chapter 4 of the Local Government: Municipal Systems Act, (32 of 2000) (see Chapter 4, Section 4.2.2.1, Section 4.2.2.3 and 4.2.5.7).

- **To establish, through an empirical investigation, the current circumstances and challenges in monitoring performance within the MLM.**

The findings on the current state of affairs at the MLM revealed that there is a performance management policy in place at the MLM, however it is outdated as its last review is unknown to participants (see Chapter 4, Section 4.2.2.1). The results obtained through interviews with both groups of participants revealed that community involvement on critical issues of the MLM such as in the development of the performance management system and the annual report of the MLM, where community is afforded an opportunity to make inputs and comments on the documents, is not done. This was indicated by 100% of participants who confirmed the notion in Chapter 4, Section 4.2.2.3 and 67% in Chapter 4, Section 4.2.5.7. The meetings of the different committees are held to deliberate on municipal affairs and reports, however, performance reports to this effect are not always prepared and submitted on time to the committees. The late submissions of performance reports to the committees might result in the compilation of shabby reports for malicious compliance rather than in the compilation of credible reports which reflect a true reflection of the state of affairs at the MLM. The findings from the empirical research revealed that all participants are aware of and understand their roles and responsibilities of oversight on the overall performance of the MLM.

Participants were also requested to indicate the challenges they come across when dealing with the overall performance of the MLM. The findings revealed that the major challenge is with regard to the provision of service delivery to the MLM community due to the budgetary constraints experienced by the MLM. Since the MLM could not provide its community with adequate services, the Free State Provincial Government has resolved to place the MLM under Section 139 (1) (b) of the Constitution, 1996, to try and assist the MLM with its financial difficulties. Fifty percent of participants indicated that the challenges regarding the provision of service delivery occurred as a result of amongst others, misplacement of staff in irrelevant positions, the unfunded budget, and misalignment between the IDP and the budget. The other 50% of participants indicated that the latter is perpetuated by the fact that the MLM employees are dissatisfied and demoralised, resulting in lack of accountability for poor performance within the MLM (see Chapter 4, Section 4.2.2.6).

Thirty-four percent of participants indicated that the challenges experienced are late submission and sometimes non-submission of reports by the management for the quarterly reviews. Thirty-three percent of participants indicated that the major challenge they come across is the political interference over the actions taken by the committee to bring about accountability for mismanagement of funds within the MLM. The final 33% of participants indicated that the challenge faced is one of inconsistency in the deployment of councillors in the committees, whereby councillors who have gained vast knowledge and experience to deliberate on financial management, are changed and moved to serve in other committees. The latter impedes the functionality of the committees because it results in inexperienced councillors being deployed and it becomes difficult to deal with and interpret the financial reports as well as the Auditor General of South Africa's report (see Chapter 4, Section 4.2.5.10).

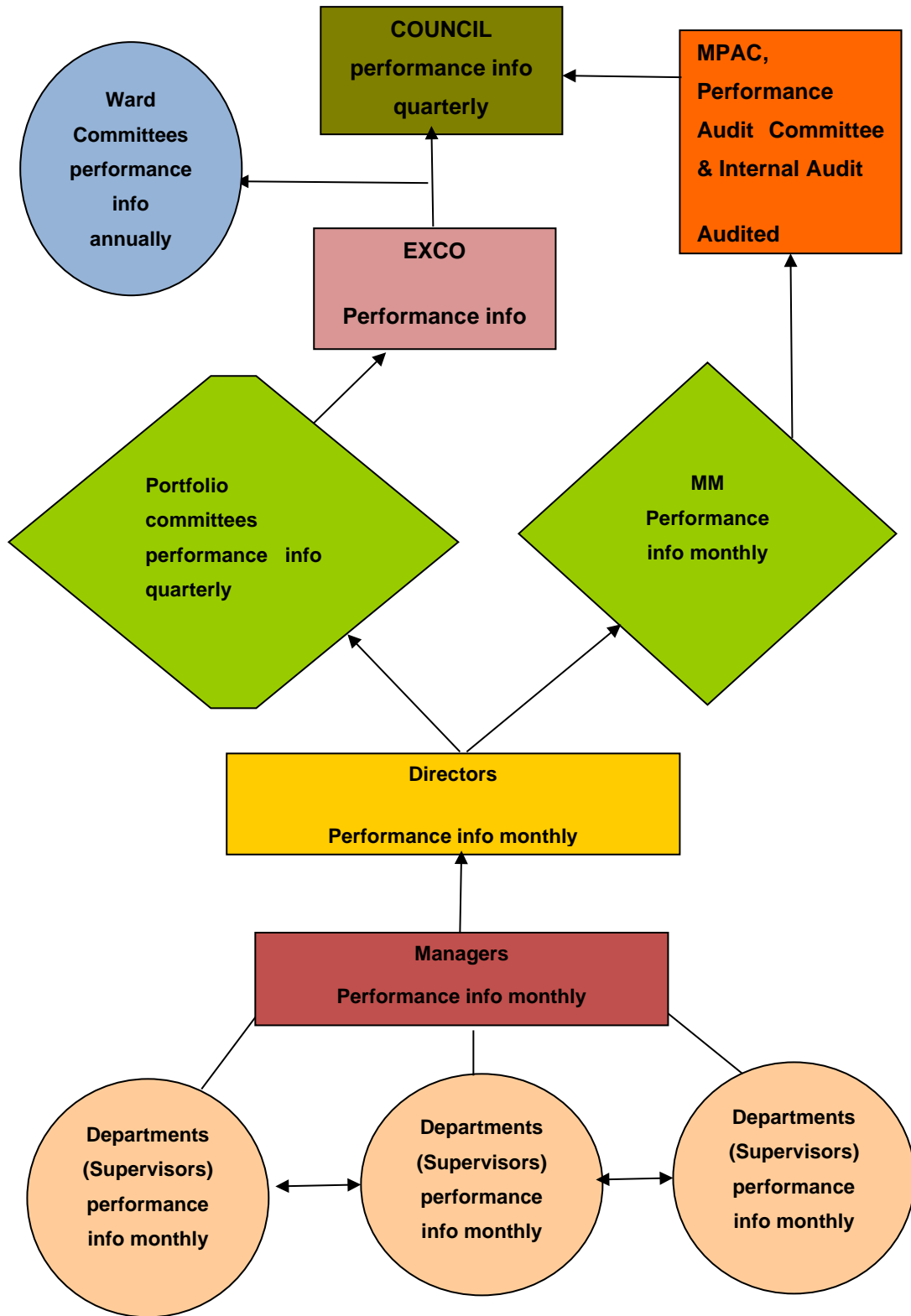
Finally, the MLM does not have a consequence management policy in place to instill discipline and provide accountability at the MLM. The absence of a consequence management policy may lead to officials and councillors of the MLM behaving inappropriately, including being involved in the mismanagement of funds.

- **To provide recommendations on how the overall performance of the MLM can be improved, through a monitoring framework**

Following the literature review that was conducted in Chapter 2, the requirements and guidelines for performance monitoring as set out in Chapter 3, the statutory and regulatory framework and the empirical research that was conducted in Chapter 4, the study presents a proposed performance monitoring framework.

#### **5.4. A PROPOSED PERFORMANCE MONITORING FRAMEWORK**

Figure 5.1 below describes a performance monitoring framework as proposed by the study in order to assist the MLM with regard to the monitoring of service delivery plans and targets to improve its performance.



**Figure 5.1: Performance monitoring framework for the MLM**

Source: (Researcher's own compilation)

### **5.4.1. Discussion of the proposed performance monitoring framework**

This section discusses the proposed performance monitoring framework for the MLM as presented in Figure 5.1 above. The framework provides for a bottom up approach for the monitoring of performance at the MLM, where ordinary staff members up to senior manager level will be involved in the planning, implementation and monitoring of the MLM's service delivery plans. Monitoring of performance should be an ongoing process throughout the year and should run parallel to the implementation of the MLM's IDP.

#### **5.4.1.1. Supervisors**

Supervisors will collate performance information through reporting of progress made against the targets on a monthly basis and submit it to the managers. Evidence of performance that took place will be gathered, stored by each supervisor and presented to substantiate the actual performance depicted in the progress reports.

#### **5.4.1.2. Managers**

Managers will receive progress reports together with the portfolio of evidence from the supervisors on a monthly basis. Managers will analyse the submitted reports and track progress made with regard to the programmes and projects described in the service delivery implementation plans.

#### **5.4.1.3. Directors**

Directors will receive progress reports together with the portfolio of evidence files and analyse progress made with regard to their departmental scorecards and key performance areas from the managers on a monthly basis. The directors will table these progress reports in management meetings where indications of possible under-performance from a particular department can be detected early on and corrective measures can be identified in good time.

#### **5.4.1.4. Municipal Manager**

The municipal manager will receive the progress reports from the directors and track progress made with regard to the implementation of the MLM's approved service delivery and implementation plan. The municipal manager will also form part of the management

meetings where each director will be tabling their departmental progress reports, and therefore the credibility and accuracy of the reports will be ascertained before the municipal manager can submit the reports to the Executive Committee and the Performance Audit Committee quarterly. The purpose of a performance-driven management team is to instill a culture of collective management.

#### **5.4.1.5. Portfolio Committees**

The portfolio committees will receive performance reports from each director on a quarterly basis. The portfolio committees will meet on a quarterly basis to discuss and track progress made with regard to the implementation of their departmental predetermined objectives and service delivery targets. The chairpersons of the portfolio committees will submit these progress reports to the Executive Committee on a quarterly basis.

#### **5.4.1.6. Executive Committee (Exco)**

The Executive Committee will receive the progress reports on the implementation of departmental service delivery plans from the portfolio committees and submit these reports to the council on a quarterly basis.

#### **5.4.1.7. Internal Audit and Section 79 Committees (Performance Audit Committee and MPAC)**

The Internal Audit Unit will receive the performance reports from the Office of the Municipal Manager on the overall performance of the MLM on a quarterly basis. The Internal Audit Unit will conduct audit on the submitted performance information and compare the actual performance attained against the set targets and also verify the portfolio of evidence submitted in support of the attained targets. Furthermore, the Internal Audit Unit will compile a report on the audit performed on the received performance information and submit it to the Performance Audit Committee on a quarterly basis for review. Essentially, the MPAC will also receive performance reports from the Office of the Municipal Manager containing financial and non-financial performance information on a quarterly basis and will submit a report with recommendations to council. Recommendations from the Performance Audit Committee and the MPAC will assist the MLM to compile performance improvement plans for implementation. The latter will thus

serve as an early warning signal system which will ensure improved performance at the end of the financial year.

#### **5.4.1.8. Council**

The council will receive reports from the Executive Committee and the Performance Audit Committee on a quarterly basis. The reports from the Executive Committee will outline the progress made on the implementation of each department's service delivery plans and targets as submitted by the portfolio committees. A report from the Performance Audit Committee will be an audited performance report which validates the overall achievements of the service delivery targets. The report will also provide an analysis on the review conducted on the functionality of the MLM's performance management system. Finally, the Performance Audit Committee report will contain recommendations that the MLM can implement to improve its performance on areas that require improvement.

#### **5.4.1.9. Ward committees**

The ward committees will receive a report from council which provides the overall performance of the MLM annually, as part of the annual reporting process by the MLM. The annual report will be submitted to the ward committees, since they represent the community, for review and representations, thus providing accountability and transparency as required by the Local Government: Municipal Systems Act (32 of 2000).

### **5.5. RECOMMENDATIONS OF THE STUDY**

The following section presents recommendations on how the MLM can improve its management and monitoring of performance:

#### **Recommendation 1: The MLM should develop a consequence management policy**

It was discovered in Chapter 4, Section 4.2.5.11 that there is a lack of discipline and order with regard to the conduct of employees and councillors of the MLM, whereby employees simply do not perform their duties and get involved in activities of maladministration. A consequence management policy will assist the MLM to hold each and every person accountable for their actions within the MLM. The policy will also curb the involvement in

activities such as maladministration, fraud and corruption, as well as political interference from the political leadership. It should be noted that the consequence management policy can only assist the MLM when implemented adequately. The policy has to be communicated clearly to all employees and councillors to ensure that everyone fully comprehends what the expectation is from them.

**Recommendation 2: The MLM should regularly review its performance management policy**

Chapter 4, Section 4.2.2.1 revealed that there is a performance management policy in place, however it is not reviewed on an annual basis as required by the Municipal Planning and Performance Management Regulations of 2001. The review of the performance management policy will assist the MLM to identify areas of improvement for performance, including current circumstances and challenges. Annual reviews will only be possible if the policy is implemented adequately to promote learning and improvements, where measures to address the current challenges can be explored.

**Recommendation 3: The MLM should cascade the performance management system to other staff members other than senior managers**

In Chapter 4, Section 4.2.2.2, it was revealed that the performance management system is only implemented at the senior management level, where only the directors and the municipal manager sign performance agreements which indicate the work to be performed and the standard of performance that is expected from them. This means that the performance of the directors is reviewed and also linked to the reward system. It is however not the case with other employees. The cascading of the performance management system to all staff members will assist the MLM to ensure that each employee is involved in the planning phase of performance. The employees can be accorded an opportunity to set their own specific and unambiguous key performance indicators and targets that are aligned to the strategic objectives of the MLM. The latter will also ensure that the performance of all employees is monitored on a quarterly basis to track the progress made with regard to the implementation of service delivery plans. This means that the performance of all other staff members will also be linked to the performance rewards, where outstanding performance will be rewarded and substandard

performance will be subjected to personal development plan interventions. Finally, the latter will motivate individual employees to perform better and to ensure that their goals and ultimately the organisational goals are attained.

**Recommendation 4:      The MLM should develop a public participation strategy that will ensure community involvement in municipal matters**

Chapter 4, Section 4.2.2.3 revealed that the MLM does not involve its community in key issues such as in the development of the performance management system and the annual report. The MLM should develop a public participation strategy that will outline and guide how the MLM should consult its community. The public participation strategy will assist the MLM to consult the community during the development of its integrated development plan, budget, performance management system, monitoring and evaluation of performance and during the annual reporting period. The community will be expected to provide inputs and comments about the services offered to them and about the overall performance of the MLM, thereby promoting accountability and transparency.

The study may assist the MLM to ensure that key policies and strategies are developed and implemented to address current challenges experienced by the MLM. The study can also assist to ensure that the planning process of the MLM is transparent, where the community's inputs are considered and the employees of the MLM are also accorded an opportunity to be involved in setting of measurable performance indicators and targets that will be easy to attain. The study can assist the MLM to ensure that its programmes are reviewed and monitored to track their progress and to establish mechanisms of improvement in areas that need improvement. It is necessary for the MLM to adopt the consequence management policy that will guide the MLM on how to deal with issues of poor performance occurring as a result of everyone doing as they please.

The study also contributes to the scholarly knowledge in Public Administration as an academic discipline. The discipline of Public Administration studies the process and effectiveness of public institutions such as national, provincial and local government in ensuring that service delivery is provided to the communities. The focus of the study was on the challenges in monitoring performance of the MLM. The MLM as a local government

is the lowest sphere of government where service delivery is felt and seen, and therefore has to ensure that service delivery plans' implementation is monitored frequently.

## **5.6. SUGGESTIONS FOR FUTURE RESEARCH**

The study aimed to determine how to improve the monitoring of performance within the MLM, by means of investigating the existence or lack of a framework for performance monitoring at the MLM. The study could be extended to include the perceptions and opinions of municipal employees, who are responsible for the implementation of the performance management system at the MLM.

Furthermore, this study did not address issues of employee development to encourage motivation amongst employees. A study on how the performance management system's implementation can benefit municipal employees could assist the MLM with motivating its employees to understand why they should perform their duties diligently.

## **5.7. FINAL CONCLUSION**

This chapter of the study presented a summary of all the chapters and also made recommendations that can be implemented by the MLM. The purpose of this chapter was to demonstrate that the study accomplished the research objectives of the study as depicted in Chapter 1.

Local government is faced with service delivery challenges which have culminated in a number of service delivery protests taking place in SA. The Local Government: Municipal Systems Act (32 of 2000) compels municipalities to put in place proper systems to ensure that service delivery plans and programmes are implemented accordingly and the progress thereof is monitored frequently. The Local Government: Municipal Systems Act (32 of 2000) further encourages community involvement in the affairs of the municipalities, to promote accountability and transparency.

The empirical research findings presented in Chapter 4 highlighted that the above-mentioned requirements are not met by the MLM, and that the community is not involved in crucial municipal affairs. Monitoring of performance is crucial because it assists the management to detect possible non-achievement of service delivery targets at an early stage, where corrective measures can be identified and implemented in time. Frequent

monitoring of service delivery plans and constant engagements with community are vital elements that have to be undertaken, which contribute to improved performance.

In addition, the study presented a framework for performance monitoring that can be implemented by the MLM. A performance monitoring framework is aimed at assisting the MLM to overcome challenges identified in the empirical research (Chapter 4) of the study.

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## ANNEXURE A



3728 Phahameng Section

Namahadi

Frankfort

9830

Tel: 016 973 8348

Cell no: 0723390012/0796052737

The Gatekeeper/Municipal Manager

Cc: The Speaker of Council

Mafube Local Municipality

64 JJ Hadebe Street

Frankfort

9830

### RE: PERMISSION TO CONDUCT RESEARCH WITHIN THE MAFUBE LOCAL MUNICIPALITY (MLM)

Dear Mr Moremi

I, Agnes Boniswa Motsitsi currently employed by Metsimaholo Local Municipality and a previous employee of Mafube Local Municipality, under the Office of the Municipal Manager, Performance Management System (PMS) division, kindly seek your approval to conduct research within the MLM. The research is part of the compulsory mini-dissertation in fulfilment of the degree Master of Public Administration (MPA) which I am currently enrolled for at the North-West University.

The research topic is entitled: ***A framework for performance monitoring in Local Government: the case of the Mafube Local Municipality.*** The overall objective of this study is to determine how to improve the monitoring of performance within MLM, by way of investigating the existence or lack of a framework for performance monitoring and challenges pertaining to the monitoring of performance within MLM. The inspiration to conduct this research came as a result of the Auditor General of South Africa (AGSA)'s reports, which indicated a "disclaimer" of audit opinion for more than five consecutive financial years and among the findings that were raised by the AGSA was lack of performance monitoring. This study will reveal the challenges that exist with regard to the monitoring of performance and also propose measures on how to improve performance monitoring which MLM attempts.

The participants for the study will be political leadership, comprising of chairpersons of the portfolio committees and members of the municipal public accounts committee (MPAC), who provide oversight over the performance of the MLM.

In conducting this study, the following research ethics will be considered:

- The participation in the study will be voluntary.
- The confidentiality and anonymity of participants will be maintained.
- Permission to record interviewees will be sought before the interview process will commence.
- Research participants will be treated with respect.

Permission is hereby requested to please interview the above identified respondents for purposes of this research. Completion of the semi-structured interviews should be as brief as possible and anonymity of participatory results and confidentiality are guaranteed.

If there are any further enquiries, please contact myself, as researcher at the above-mentioned contact details, or my supervisor, Prof Melvin Diedericks at 018-299 1629 or [Melvin.diedericks@nwu.ac.za](mailto:Melvin.diedericks@nwu.ac.za)

Kind regards

.....  
 Prof. M Diedericks  
 Study supervisor

.....  
 Ms Boniswa Motsitsi  
 Master's Researcher

I ..... (Municipal Manager) hereby grant/does not grant permission to Ms B Motsitsi to conduct her research using identified political leadership, and chairpersons of the portfolio committees including members of the municipal public accounts committee (MPAC), as a unit of analysis for her Master of Public Administration Degree study.

Date: .....

Signature: MM .....

## ANNEXURE B

### CONSENT FORM AND INTERVIEW GUIDE (A)

#### INTERVIEWEES

MLM Councillors: Chairpersons of Portfolio Committees

#### SECTION A: CONSENT TO PARTICIPATE IN THE STUDY

I, \_\_\_\_\_ (name and surname), agree to be interviewed as part of the research for a Master's degree in Public Administration, titled: *A framework for performance monitoring in the Mafube Local Municipality*.

I give my consent to participate in the study with the following understanding:

- The purpose of the interview has been explained to me.
- My participation is voluntary.
- My anonymity is ensured. The results obtained from the interviews will be reported as collective; therefore, I will not be identified by name in the study.
- I may withdraw from the study at any given time.
- The information I provide will be used for the purpose of this research study only and will not be made available to any third party.
- I will answer questions honestly, based on my personal expertise, experience and views.

Interviewee:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Researcher:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## SECTION B: BIOGRAPHICAL INFORMATION

(Completed by researcher upon requesting the information from the interviewees)

Designation: \_\_\_\_\_

Directorate: \_\_\_\_\_

Period of deployment in current post: \_\_\_\_\_

Period of deployment at the MLM: \_\_\_\_\_

Gender: \_\_\_\_\_

Age: \_\_\_\_\_

## SECTION C: PERFORMANCE MANAGEMENT AND MONITORING

1. Does the Mafube Local Municipality (MLM) have a performance management system (PMS) policy in place?
  - If yes, when was the last time it was reviewed?
  - If no, what are the reasons?
2. At which level is the PMS implemented within the MLM?
3. According to your knowledge, is the community involved in the development of the PMS?
  - If yes, please explain how the process is unfolded?
  - If no, what are the reasons for not involving the community?
4. Does the committee hold meetings regularly to deliberate on municipal matters?
  - If yes, how often?
  - If no, what are the reasons for not holding the meetings?
5. Does the committee receive reports specifically on the performance of the department i.e. actual deliverables against the approved Service Delivery and Budget Implementation Plan (SDBIP)?
  - If yes, how often?
  - If no, what could be the reasons behind non-submission of the performance reports to the committee and what measures have been put in place to ensure that reports are submitted to the committee?
6. What challenges does the committee come across when dealing with performance reports?
7. According to your knowledge and experience, do you think the performance of the MLM is being monitored frequently?
  - If yes, please explain how the process unfolds?
  - If no, what improvements do you think monitoring of performance would bring?
8. Please explain how the committee addresses an issue of a poor performing department within MLM?
9. Does the committee submit reports to the Executive Committee (Exco)?
  - If yes, how often?
  - If no, what are the reasons?

## ANNEXURE C

### CONSENT FORM AND INTERVIEW GUIDE (B)

#### INTERVIEWEES

MLM Councillors: Members of the MPAC

#### SECTION A: CONSENT TO PARTICIPATE IN THE STUDY

I, \_\_\_\_\_ (name and surname), agree to be interviewed as part of the research for a Master's degree in Public Administration, titled: *A framework for performance monitoring in the Mafube Local Municipality*.

I give my consent to participate in the study with the following understanding:

- The purpose of the interview has been explained to me.
- My participation is voluntary.
- My anonymity is ensured. The results obtained from the interviews will be reported as collective; therefore, I will not be identified by name in the study.
- I may withdraw from the study at any given time.
- The information I provide will be used for the purpose of this research study only and will not be made available to any third party.
- I will answer questions honestly, based on my personal expertise, experience and views.

Interviewee:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Researcher:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## SECTION B: BIOGRAPHICAL INFORMATION

(Completed by researcher upon requesting the information from the interviewees)

Designation: \_\_\_\_\_

Directorate: \_\_\_\_\_

Period of deployment in current post: \_\_\_\_\_

Period of deployment at the MLM: \_\_\_\_\_

Gender: \_\_\_\_\_

Age: \_\_\_\_\_

## SECTION C: OVERSIGHT OVER PERFORMANCE OF MLM

1. According to your understanding, what are the roles and responsibilities of the Municipal Accounts Committee (MPAC)?
2. Does the committee hold meetings to deal with municipal matters?
  - If yes, how often?
  - If no, what are the reasons?
3. Does the committee receive both financial and non-financial performance reports?
  - If yes, how often?
  - If no, which reports are being received?
4. How does the committee deal with inadequate performance contributing towards fruitless, wasteful and authorised expenditure?
5. Does the committee meet to deliberate on the annual report?
  - If yes, how often?
  - If no, what are the reasons?
6. Please explain the role played by the committee on the annual report?
7. Is the annual report of the MLM subjected to community participation?
  - If yes, please explain how the process unfolds?
  - If no, what are the reasons?
8. With regard to the most recent annual report, what measures have been put in place to address the findings of the Auditor General of South Africa, (AGSA)?
9. Does the committee submit a report annually containing the recommendations to Council pertaining to the annual report?
  - If yes, how has this improved performance reporting?
  - If no, what are the reasons?
10. What are the challenges experienced by the committee regarding the performance of the MLM?
11. According to your knowledge, does the MLM have a consequence management policy?
  - If yes, is it implemented adequately?

- If no, do you think it is necessary to introduce it?

## ANNEXURE D

### KNG LANGUAGE EDITING SERVICES

“Say It With Style”

K.N. Groenewald  
22 Marais Street  
Bailey’s Muckleneuk  
Pretoria  
0181  
0829366250

16 November 2020

To Whom It May Concern

#### CONFIRMATION OF LANGUAGE EDITING OF A MASTERS DISSERTATION:

**A Framework for Performance Monitoring in the Mafube Local Municipality**

Herewith confirmation that the abovementioned dissertation, by Ms Boniswa Motsitsi, has been language edited.

Yours sincerely



K.N. Groenewald