CITY OF CAPE TOWN
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CITY OF CAPE TOWN

DRAFT ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY

(Policy number XXX)

Approved by Council: XXX

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1 Definitions

“APAC” means the Audit and Performance Audit Committee.

‘’Circular 88’’ means a National Treasury directive issued under the Municipal Finance Management Act (MFMA), Act 56 of 2003. It provides a standardised, regulated set of performance indicators that municipalities must use for planning, budgeting, performance reporting, and oversight. It aims to streamline performance information reporting across municipalities. It also referred to as C88.

“City” means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority;

“corporate scorecard (CSC)” means the performance scorecard used to manage performance in the City (also referred to as the Organisational-level scorecard or Five year Corporate Scorecard). It is a component of the IDP.

“council” means the Municipal Council of the City.

‘’C88 scorecard’’ means the performance scorecard used to manage C88 indicators within the City.

“departmental scorecard” means the performance scorecard used to manage performance in a Department within the City.

“department business plan” means a plan at the departmental level that links the department’s activities to the IDP and budget.

“director” means a position created within the approved managerial structure, designated as the head of a department.

“directorate scorecard” means the scorecard used to manage performance of a Directorate within the City.

“evaluation” means the systematic and objective assessment of a strategy, policy, programme, project, or plan, in terms of its design, implementation or results (outputs or outcomes), or all three of these aspects. An evaluation may assess the worth or significance of results in terms of indicators such as relevance, efficiency, effectiveness, impact or sustainability.

“executive director” means a position approved by Council as a section 56 position, as envisaged in section 56 of the Municipal Systems Act,

‘’executive director scorecard’’ means an annexure to the annual performance agreements of managers directly accountable to the City Manager. In accordance with Section 57(4) of the Municipal Systems Act (MSA), it sets out the Executive Directors’ specific performance objectives and targets, aligned to the municipality’s strategic priorities.

"Executive Mayor" means the Executive Mayor of the City as envisaged in section 54 of the Municipal Structures Act, or any councillor duly appointed to act.

"functional area" means the area of focus of a Directorate, Portfolio Committee or Mayco member.[1].

"impact" means the long-term, cumulative effect of a strategy, policy, programme, project, or plan. It indicates a change in the state or well-being of the beneficiary; the effects of which can be positive or negative, primary or secondary, intended or unintended.

"inputs" mean all the resources that contribute to the production and delivery of outputs. Inputs include financial, human, physical/material, and organisational or institutional resources. Examples include buildings, vehicles, technology and materials, as well as organisational systems, policies, structures, data and evidence.

"Integrated Development Plan" means a strategic plan as envisaged in section 25 of the Municipal Systems Act.

"Mayoral Committee" means a committee established to assist the Executive Mayor, as envisaged in section 60 of the Municipal Structures Act. It is also referred to as Mayco.

"Mayoral Committee member" means a councillor appointed to serve on the mayoral committee, as envisaged in section 60 of the Municipal Structures Act.

"monitoring" means the continuous collecting, analysing and reporting of data in a way that supports effective management. Monitoring aims to provide regular (and real time) progress feedback on implementation and results.

"Municipal Public Accounts Committee (MPAC)" means an oversight committee established in terms of section 79 of the Municipal Structures Act.

"Municipal Entity" means a private company referred to in 86B (1)(a) of the Systems Act, or a service utility or a multi–jurisdictional service utility.

"Municipal Finance Management Act (MFMA)" means the local government: Municipal Finance Management Act, 2003 (Act No. of 1998).

"Municipal Structures Act" means the local government: Municipal Structures Act, 1998 (Act No. 117 of 1998).

"Municipal Systems Act" means the local government: Municipal Systems Act, 2000 (Act 32 of 2000).

"outcomes" means the medium tolong term changes and results achieved through the delivery of outputs (municipal activities and initiatives), to specific beneficiaries.

"outputs" mean the final products, or goods and services produced or delivered.

[1] In the City a Directorate is a 'vote' in terms of MFMA Circular 13.

“portfolio committees” means committees established in terms of section 79 of the Municipal Structures Act,

“Performance Indicator Measurement Sheets (PIMS)” means a document that provides a detailed description of the indicators, the system supporting them, and an acknowledgement of accountability by the Executive Director, ensuring auditability.

“performance management system” means the tools used by the City to ensure that its performance is planned, monitored, reported on and evaluated continuously in terms of section 38 of the Municipal Systems Act. No 32 of 2000 (MSA).

“scorecard” means the tabulated list of performance indicators that include quarterly targets for a financial period.

“Section 56 employees” means **executive directors** directly accountable to the City Manager, as envisaged in section 56 of the Municipal Systems Act.

“Service Delivery and Budget Implementation Plan (SDBIP)” is a detailed annual plan that outlines the implementation of the IDP and the associated budget. In the City there are three layers of the SDBIP—

1) The top layer which consists of the Corporate SDBIP, the Circular 88 scorecard and the municipal entities’ scorecards;

2) the Directorates’ Scorecards and Executive Summaries; and

3) Departmental business plans and scorecards.

“strategic objective” means a measurable statement of intent, describing a desired outcome that is targeted and the progress toward which can be measured.

“theory of change” – means a way of explaining or articulating how and why a strategy, framework, plan is expected to produce its results. It outlines the mechanisms of change, as well as the assumptions, risks and context that support or hinder the theory from being manifested as observed outcomes.

2 Abbreviations

APAC - Audit and Performance Audit Committee.

CSC – Corporate Scorecard

IA – Internal Audit

IDP – Integrated Development Plan

KPI – Key Performance Indicator

MFMA – Municipal Finance Management Act

MPAC – Municipal Public Accounts Committee

MSA – Municipal Systems Act

PDO - Pre-determined Objectives

PIMS – Performance Indicator Measurement Sheets

PMP – Project Management Plan

SDBIP – Service Delivery and Budget Implementation Plan

3 Introduction

In the municipal context, performance management is a strategic and integrated tool through which a municipality's performance and that of its employees are planned, managed, monitored, reported on, and reviewed. It serves as a mechanism to track progress towards achieving the objectives outlined in a municipality's Integrated Development Plan (IDP) and its other strategies. Additionally, it enables the assessment of the efficiency, effectiveness, and impact of municipal service delivery, ensuring accountability and enabling continuous improvement.

The City of Cape Town (City) has implemented a Performance Management Policy Framework since its approval by Council in 2011. The policy was established to operationalise the performance management system (PMS) as mandated by legislation, providing a comprehensive framework for performance management across the City. The policy's primary purpose is to ensure that all organisational activities, from strategic planning to operational execution, contribute to defined outcomes for effective service delivery. Over the years, the City has conducted several performance maturity assessments, which have identified key areas for improvement. Whilst certain improvements have been made to the City's PMS itself, the policy has long needed review and updating to reflect such changes, bring it into alignment with strategic priorities and enhance its overall effectiveness. Furthermore, a review was deemed timeous to evaluate whether the performance management system (PMS), as outlined in Chapter 6 of the Municipal Systems Act, as well as the Local Government: Municipal Planning and Performance Management Regulations of 2001, continue to adequately support the City's current operational realities and priority needs[2]. The problem statement below details some of the developmental issues and areas identified from the maturity assessment which have informed the latest amendments to this policy.

4 Problem Statement

The City's performance management function has traditionally been compliance-driven and output-focused. The 2011 policy emphasised compliance and auditing,

[2] The Municipal Planning and Performance Management Regulations of 2001 are currently under review.

whilst the historic approach has been to track activities and measure output-based indicators related to the City, meeting its service delivery mandates and fulfilling its enabling role as local government.

A shift in emphasis was deemed essential; one where the focus needs to be on monitoring and measuring more meaningful outcomes and the impacts which the City has on residents' lives. The maturity assessments undertaken for the performance management function underscored the importance and need for the following:

- An enhanced focus on outcome indicators at both corporate and directorate levels, shifting the emphasis from compliance and output indicators to outcome-driven performance to strengthen alignment and cascade outcome, output and input indicators. International experience demonstrates that outcome-based performance management can strengthen organisational alignment, improve service delivery and support continuous improvement, as evidenced in jurisdictions such as Scotland, the United States, Italy, Canada, and the United Kingdom. African and South African experiences show that shifting to outcome-based performance management delivers meaningful benefits such as improved alignment with development goals, strengthened accountability, and enhanced interdepartmental coordination. [3]
- A stronger approach to transversal collaboration by promoting cross-functional indicators and encouraging more cohesive work among the City's directorates; and
- Technology-driven performance management by utilising an OPM digital system, dashboards, and visualisation tools for data management and reporting.

Whilst compliance, auditing and output measurements are crucial and will remain foundational and mandatory in terms of municipal legislation, fostering continuous monitoring, learning and improvement are equally important for advancing performance management practices. Accordingly, a key developmental area identified is that of encouraging continuous and stronger measures for embedding lessons learnt from evaluation processes. A 'Monitoring, Evaluation' approach can shift the focus from static evaluations to dynamic, ongoing learning models that inform decision-making throughout project lifecycles, and thereby ensure that a more comprehensive approach is taken. Here, the emphasis is on continuity; whereby monitoring and evaluation serve as a feedback mechanism that informs and enhances essential functions, including planning, implementation, monitoring, periodic reviews, and audits; and primarily with the end-goal to maximize outcomes and improve service delivery.

By integrating outcome-focused performance management with existing compliance and auditing processes, the City intends to enhance accountability, improve service effectiveness and build stronger trust with residents. This will be

[3] Public Sector Network. *Case Studies in Public Sector Impact: Delivering Meaningful Outcomes with Limited Resources* (2024). [publicsect...etwork.com]
Springer Nature. *Outcome-Based Performance Management in the Public Sector* (2018). [link.springer.com]

achieved by transparently demonstrating how municipal efforts contribute tangibly to positive changes and strategic priorities outlined in the City's Integrated Development Plan (IDP).

5 Desired Outcomes

The primary purpose of this policy is to ensure that all organisational activities, from strategic planning to operational execution, contribute to defined outcomes for effective service delivery. The following desired outcomes are integral to meeting this purpose and ensuring a more strategic and comprehensive PMS.

5.1 Municipal performance is systematically planned, managed, monitored, reviewed, reported, evaluated, and audited, thereby fostering improved decision-making and responsiveness to resident's needs.

5.2 Organisational accountability and efficiency are ensured by tracking Directorates' strategic alignment to the IDP through corporate scorecards, SDBIPs and sector-specific performance monitoring.

5.3 The City's existing OPM system is enhanced by moving toward the monitoring, evaluation and tracking of outcome and impact indicators, which includes assessing long-term value and outcomes of municipal services and initiatives on residents' quality of life.

5.4 Comprehensive measurement frameworks that combine both quantitative and qualitative data are used to assess improvements in service delivery.

5.5 Clear performance expectations lead to a culture that fosters results-driven work which can enhance employee motivation and accountability.

5.6 Public transparency[4] is maintained through measurable Key Performance Indicators (KPIs), enabling residents to assess the effectiveness of service delivery. This includes operations in municipal entities being guided by the PMS to ensure optimal efficiency, effectiveness and economy; whereby there is strategic, appropriate and fair use of the budget.

5.7 Alignment of performance indicators and targets with the City's IDP logic model.[5] A coherent "golden thread" will be created, linking strategic priorities, departmental objectives, initiatives, and employee goals, systematically delivering measurable improvements.

6 Scope

This policy applies comprehensively across the City, including all directorates, departments, employees, as well as municipal entities and their employees. Performance assessments and management will be conducted through both existing compliance and output-focused standards, as well as the newly integrated outcomes-focused approach promoting collective alignment and collaboration towards shared objectives.

The City's OPM System Guidelines support application of this policy. The guidelines contain procedures for combined compliance, output and outcomes-based planning,

[4] In setting key performance indicators, a municipality must ensure that- communities are involved; Reg. 9. MPPMR.
[5] In developing its performance management system, a municipality must ensure that the system demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting. Reg. 7. MPPMR.

monitoring, reviewing, reporting, evaluation, and auditing and oversight. As an internal instrument, it has been developed to ensure an integrated and robust performance management system.

7 Strategic Alignment

A performance management policy supports the measurement of success, identification of challenges, and the achievement of meaningful progress in municipal governance.

The OPM policy aligns with other key strategies, policies, and plans within the City, ensuring that performance management is in sync with the City's overarching strategic objectives and priorities. The policy will ensure alignment with the Capable and Collaborative Government priority outlined in the IDP. This priority makes reference to evidence-based decision making that can cope with uncertainty and complexity. The OPM policy will play a central role in this commitment by ensuring that organisational performance data is reliable and aligned to strategic priorities.

8 Regulatory Context

The policy is aligned with the following legislation:

8.1 The Constitution of the Republic of South Africa Act, 1996 (Chapter 7, Section 152).
8.2 The White Paper on Local Government (1998).
8.3 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
8.4 Local Government: Municipal Planning and Performance Management Regulations, 2001.
8.5 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).
8.6 Municipal budget and reporting regulations (MFMA, 2003).
8.7 Municipal Performance Management Regulations, 2006.
8.8 Municipal Performance Regulation for Municipal Managers and Managers directly accountable to MMs (R805, Aug 2006).
8.9 Labour Relations Act, 1995 (Act No. 66 of 1995).
8.10 Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (Chapter 3, Section 19).
8.11 MFMA Circular No. 13 – Service Delivery Budget Implementation Plan.
8.12 MFMA Circular No. 65 – Internal Audit and Audit Committee.
8.13 MFMA Circular No. 88 – Rationalisation of Planning, Budgeting and Reporting.

9 Principles

The following principles underpin and help to create a robust PMS that can successfully drive organisational effectiveness and serve the community's needs

9.1 Outcome and Impact Inclusion: Integrate meaningful outcomes and long-term impacts on residents alongside existing compliance and output measures, focusing on the City's strategic priorities as identified in its IDP at the start of each term.

9.2 Strategic Alignment: Align all performance activities and measures directly with strategic IDP priorities, connecting employee efforts with defined outcomes (golden thread).

9.3 Evidence-Based Decision-Making: Embed a culture of using comprehensive data, evidence, and qualitative insights for decision making, and continuous service improvement.

9.4 Transparency and Accountability: Maintain transparency in both compliance-based outputs and outcomes reporting, enhancing public trust and engagement.

9.5 Resident-Centric Engagement: allow residents to participate in defining and setting appropriate key performance indicators and targets, ensuring their perspectives inform service delivery improvements in terms of MSA section 42.

9.6 Integrated Collaboration: Encourage coordinated action across directorates to achieve shared outcomes, recognising that meaningful results often require collaborative efforts beyond departmental silos.

9.7 Performance Excellence Culture: Foster a culture of continuous improvement, innovation, accountability, and high-performance standards across all levels.

9.8 Proactive Management and Correction: Implement robust mechanisms for real-time monitoring and early detection of performance gaps, enabling timely interventions and sustained progress toward desired outcomes.

9.9 Technology-Enabled Performance Management: Leverage digital tools and innovative technologies to streamline data collection, performance tracking, and reporting, enhancing efficiency and responsiveness.

These principles are beneficial to the City, as they address key challenges and opportunities unique to the city's governance, service delivery, and long-term sustainability. Implementing these principles enhances Cape Town's governance, making it more efficient, transparent, and resident-focused, ultimately leading to improved service delivery, stronger community trust, and sustainable urban development.

10 Policy Directives

The Policy Directives below relate directly to the PMS and its respective component requirements. The PMS components are planning, monitoring, measuring, evaluating, reviewing, reporting, verification and auditing. The PMS will be amended, as needed.

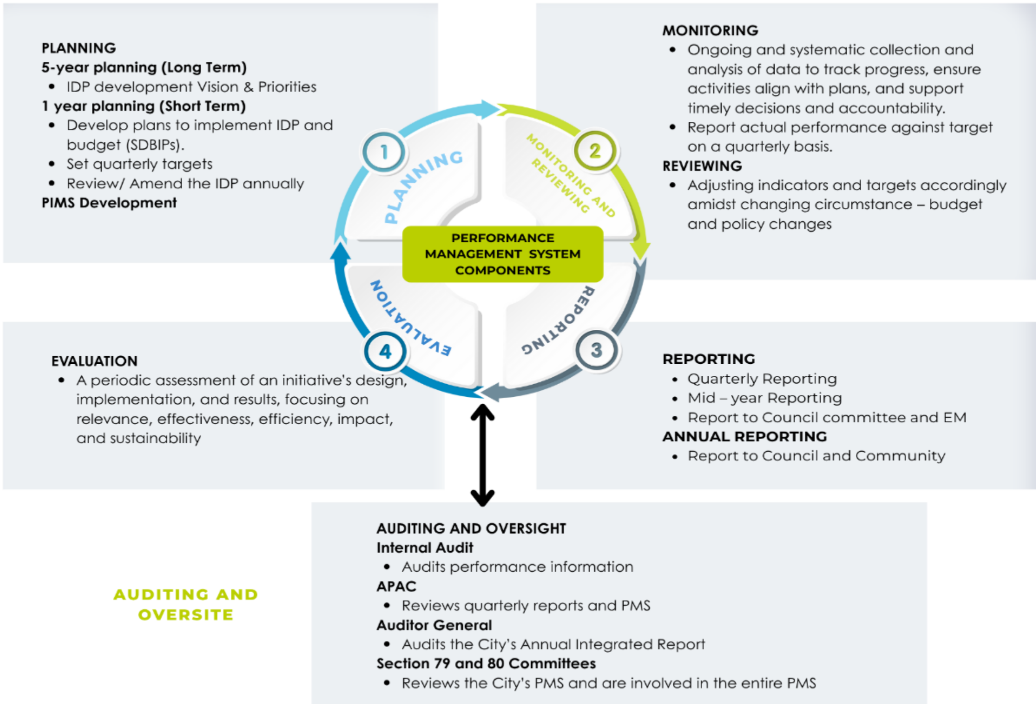

Figure 1: Performance Management System

10.1 Planning

10.1.1 As part of the performance planning process, the City will establish a structured approach to measuring inputs, outputs, and outcomes across all planning and operational activities. Regular performance reviews and adaptive learning mechanisms will be embedded to identify opportunities for improvement and inform future planning. The planning phase is integral to the City's operations, producing a five-year IDP that includes the top-layer SDBIP, along with their definitions.

10.1.2 The IDP development phase will involve developing a Theory of Change for the IDP and identifying its outcomes. City-approved strategies must be taken into consideration when identifying relevant outcomes for the directorates.

10.1.3 Key outputs of the planning phase must include the top-layer SDBIP, the Directorate SDBIP, Departmental SDBIPs, and the Executive Director Scorecards.

10.1.4 The effectiveness of service delivery will be assessed through the SDBIPs as referred to in 10.1.3. Performance gaps identified through this process should inform targeted development initiatives and strategic adjustments.

10.1.5 Planning must also involve determining KPIs and measurable targets, which gauge and set expected performance levels over specific periods.

10.1.6 KPIs will be designed to be measurable, relevant, objective, and precise[6] (following the SMART principle - Specific, Measurable, Attainable, Realistic and Time-bound) ensuring they accurately reflect outcomes, outputs, and inputs.[7] National Treasury general indicators[8] will be incorporated to align with broader governmental performance standards. A feedback loop will be established to ensure continuous refinement of these indicators based on emerging challenges and best practices.

10.1.7 When developing KPIs, consideration will be given to international benchmarks and standards that inform the setting of KPI targets. Lessons learned from implementation in the prior year(s) will be incorporated to refine indicators and target setting.

10.1.8 Where auditable and cost-effective reporting systems are not yet in place for National Treasury prescribed Indicators (C88), the City will seek guidance from National prescripts.

10.1.9 Technology, in the form of a digital performance management system, will be utilised in the planning phase, enabling all outputs of the planning phase to be integrated into the performance management process via a digital system.

10.1.10 All performance indicators at the IDP, Corporate, and C88 levels will cascade into the Directorate scorecards as well as the Department and Executive Director scorecards, where applicable.

10.1.11 The hierarchical cascading of indicators will include the development of outcome indicators[9] in the IDP, which are used to measure progress toward the intended results and ensure alignment with the City's strategic priorities. Additionally, output indicators[10] in the Corporate and Directorate SDBIPs will serve to track the delivery of specific activities and initiatives that contribute to the achievement of directorate and city-wide outcomes. Input indicators in the departmental SDBIPs will assist in monitoring the internal processes and resource utilisation required to produce the desired outputs. These input indicators[11] help assess operational efficiency and ensure that departments are adequately resourced and on track to deliver on their service delivery commitments.

10.2 Monitoring and Reviewing

10.2.1 **Monitoring performance:** The City will conduct ongoing collection, consolidation, and analysis of performance data[12] on a quarterly, mid-year and annual basis.[13] Performance evaluations will determine whether targeted results

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[6] A key performance indicator must be measurable, relevant, objective and precise; Reg. 9, MPPMR

[7] A municipality must set key performance indicators, including input indicators, output indicators and outcome indicators; Reg. 9: MPPMR

[8] KPIs are prescribed in terms of Section 43 of the MSA; Reg. 10, MPPMR

[9] Performance measurement must include the measurement of the total improvement brought by outputs in accordance with the outcome indicators; Reg 13, MPPMR

[10] Performance measurement must include the measurement of the extent to which the municipality's activities or processes produced outputs; Reg. 13, MPPMR

[11]Performance measurement must include the measurement of the costs, resources and time used to produce outputs in accordance with the input indicators; Reg. 13, MPPMR

[12] In developing its performance management system, a municipality must ensure that the system determines the frequency of reporting and the lines of accountability for performance; Reg. 7, MPPMR

[13] The mechanisms, systems and processes for must provide for reporting to the municipal council at least twice a year; and be designed in a manner that enables the municipality to detect early Indications of under-performance; Reg. 13, MPPMR

have been met, with a comprehensive assessment of year-to-date progress. Any variances identified will be analysed, and corrective actions[14] will be implemented. This process will assess the achievement of performance targets and ensure alignment with strategic objectives.[15] Leveraging a technology-enabled approach, the OPM digital system will be used to create dashboards that monitor the performance of the SDBIPs, as well as conduct trend analysis to inform future planning.

10.2.2 Individual Performance Monitoring (Section 56 Employees): The performance of Section 56 employees will be monitored quarterly to track progress against established targets[16] and ensure accountability at the leadership level.

10.2.3 Individual Performance Evaluation (Section 56 Employees): The annual evaluation of Section 56 employees will be conducted following legislative requirements and applicable policies, ensuring a structured and fair assessment of individual contributions to organisational goals.

10.2.4 Strategic review: Objectives, indicators, and targets will be reviewed periodically to ensure continued relevance and alignment with legislative requirements. Reviews will typically be conducted in response to significant strategic or organisational changes, as well as budget adjustments, to maintain efficiency and effectiveness in operations.[17]

10.2.5 Mid-year amendments: Where necessary, amendments to the top-layer SDBIP[18] will be effected. These amendments will be limited to internal and external factors, as well as Auditor General action plan and findings and will be submitted to Council for approval to ensure continued alignment with the IDP.[19]

10.2.6 Continuous improvement: The City will establish mechanisms for ongoing monitoring, evaluation, and review to drive continuous improvement. Performance data will be leveraged to refine strategies, optimise resource allocation, and enhance overall operational efficiency.

10.3 Reporting on Performance

The OPM department facilitates the monitoring, review and reporting function every quarter for indicators on the top-layer SDBIP and directorate scorecards. Performance reporting ensures accountability and keeps stakeholders informed through:

[14] The mechanisms, systems and processes must provide for corrective measures where under-performance has been identified; Reg. 13, MPPMR

[15] A performance target set must be consistent with the municipality's development priorities and objectives set out in its IDP; Reg. 12, MPPMR

[16] The purpose of the agreement is to monitor and measure performance against set targeted outputs; Reg. 23. MPRMM

[17] A municipality must review its KPIs annually as part of the performance review process referred to in regulation 13 and, whenever a municipality amends its IDP in terms of section 34 of the Act, the municipality must, as part of the process referred to in regulation 3, review those key performance indicators that will be affected by such amendment; Reg. 11; MPPMR

[18] On receipt of a statement or report submitted by the accounting officers in terms of section 7 1 or 72. The mayor must consider and, if necessary, make any revisions to the SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget

[19] MFMA Budget Circular 129 allows adjustments to KPIs due to external or internal factors. External factors include but are not limited to, significant changes in external circumstances, unforeseeable or unavoidable expenditure referred to in Sections 28(2)(c) and 29 of the MFMA, national policy developments or changes to nationally prescribed indicators. Internal factors include adjustments budgets as contemplated in Section 28(2) (a, b, d, e, and f) of the MFMA, wording errors and poorly defined KPIs.

10.3.1 Integrated annual reporting: The City will produce an Integrated Annual Report that details performance outcomes, effectiveness, and efficiency.[20] This report will be submitted to the relevant Council committees and made available to the community for comment, ensuring transparency and stakeholder engagement.

10.3.2 Mid-year reporting: A mid-year performance review will be conducted to assess progress against planned targets for the first half of the financial year. The review will identify areas requiring corrective action, inform adjustments and ensure alignment with strategic objectives.[21]

10.3.3 Quarterly performance reports: Performance data for outcome, output and input indicators will be consolidated and reported quarterly at the top-layer, directorate, and department levels.[22] These reports will be presented to the relevant Council committees to assess progress, identify areas for improvement, and ensure alignment with strategic objectives as required by the applicable legislation and systems of delegation

10.3.4 Individual performance assessment reporting: The results of performance assessments for Section 56 employees will be formally reported to the Council on an annual basis. This ensures accountability and provides a structured evaluation of leadership effectiveness in achieving organisational goals.

10.3.5 Ensuring accountability and continuous improvement: Performance reporting will serve as a mechanism for measuring efficiency and effectiveness, identifying trends, and implementing corrective actions where necessary. The City will use these reports to refine strategies, optimise resource allocation, and enhance overall operational performance.

10.3.6 Digital performance management system: Reporting will be conducted on the OPM digital system, which will be used for data management and analysis. The City will use technology effectively to enable strategy and operational performance.

10.4 Evaluation

10.4.1 Evaluation will be both formative and summative and will focus on whether targeted results are being achieved as planned. It can take place during the implementation and at completion, with the aim of determining performance progress, identifying gaps and informing improvements.

10.4.2 Evaluation should also ensure that value for money is achieved; resources allocated should achieve the intended results in the most economical, efficient, and effective manner.

[20] A municipality must table its annual report within one month of receiving the audit report; MSA, S46.
[21] The accounting officer must assess the performance of the municipality during the first half of the financial year, taking into account-the municipality's service delivery performance and the service delivery targets, and performance indicators set in the SDBIP; MFMA S72
[22] Quarterly projections of service delivery targets and performance indicators for each vote; MFMA Circular 13.

10.5 Auditing and Oversight

10.5.1 Internal audit and performance evaluation: The Internal Audit function,[23] in conjunction with the Audit and Performance Audit Committee (APAC),[24] will assess the functionality[25] and compliance of the OPM system. This evaluation ensures that performance measurement processes are effective, efficient, and aligned with regulatory requirements.[26]

10.5.2 Strategic performance review: Portfolio Committees and the Mayoral Committee will review the performance of the top-layer and Directorate SDBIPs.[27] These reviews will focus on assessing the achievement of strategic objectives, identifying inefficiencies, and recommending improvements to enhance overall effectiveness.

10.5.3 Annual performance oversight: The Auditor General (AG) conducts an audit[28] and APAC will conduct a review of the Integrated Annual Report[29] (IAR), which includes the Annual performance report on the top-layer SDBIP to ensure accuracy, transparency, and accountability. This is to ensure that efficiency and effectiveness are maintained in achieving organisational goals and good governance practises are adhered to.

10.5.4 Continuous improvement through oversight: Findings from audits and oversight reviews will be used to refine the PMS, enhance operational efficiency, and strengthen accountability mechanisms. Corrective actions will be implemented where necessary to improve overall effectiveness.

11 Roles and Responsibilities

The roles and responsibilities of the various role players[30] are outlined in the legislation, the System of Delegations, and the PIMS that support the PMS. A synopsis of the roles and responsibilities is provided in the table below.

Designation	*Role*
APAC	• Reviews the City's PMS as part of their audit and oversight role, in line with their approved Terms of Reference and makes recommendations in this regard to Council.
City Manager	Must give effect to any responsibilities assigned in terms of the MSA regarding the development of the City's PMS.

[23] A municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes; Reg, 14, MPPMR
[24] APAC must, at least twice during a financial year submit an audit report to the municipal council; Reg. 14, MPPMR
[25] Any internal auditing must include assessments of the extent to which the performance measurements are reliable in measuring performance of municipalities on indicators; Reg. 14, MPPMR
[26] The performance audit committee must focus on economy, efficiency, effectiveness and impact in so far as the KPIs and targets are concerned; Reg. 14, MPPMR
[27] The mayor of a municipality must within 30 days of the end of each quarter. submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; MFMA S52
[28] The results of performance measurements in terms of section 41 and must be audited as part of the municipality's internal auditing process and annually by the Auditor General; MSA S45
[29] A municipality must prepare for each financial year an annual report; MSA, S46
[30] In developing its performance management system, a municipality must ensure that the system clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system; Reg. 7, MPPMR

	The City Manager is responsible for: • Development and implementation of the PMS. • Approval of the OPMS Guidelines. • Submission of the draft Corporate and Directorate SDBIPs to the Executive Mayor. • Coordinating the compilation of the Integrated Annual Report. • Entering into a performance agreement with Managers accountable to the Municipal Manager/City Manager in terms of Section 56 of the Municipal Systems Act.
Community	Contributes to the review of the Integrated Development Plan, the Integrated Annual Report, and OPMS by providing comments on the formulation of indicators and targets as part of the public participation process.
Council	Adopts and approves: • The IDP, including the top-layer SDBIP. • The OPM system. • Changes to the IDP and the top layer SDBIP. • Integrated Annual Report.
Directors	• Develop auditable indicators and targets for IDP programmes, initiatives, sector plans, strategies, PMPs and initiatives related to their functional area. • Implement and monitor auditable indicators and targets within their respective functional areas. • Report on Top-layer SDBIP, Directorate and Departmental SDBIP and provide auditable evidence to support reporting. • Sign off Department SDBIPs
Executive Directors	• Develop auditable indicators and targets for IDP programmes, initiatives, sector plans, strategies, PMPs and initiatives related to their functional area. • Take responsibility for implementing the PMS within their respective functional areas. • Develop and implement the City's SDBIPs in the above functional areas and ensure that it is aligned to the City's IDP.

	• Sign off Directorate and Department SDBIPs.
Executive Mayor	• Manages the drafting of the City's IDP, including assigning responsibility to the City Manager and submitting a draft plan to Council for adoption. • Recommends to Council strategies, programmes and services to address priority needs through the IDP. • Recommend to Council the annual review of the IDP, including the review of the key performance indicators and performance targets. • Manages the development of the City's PMS, including assigning responsibility to the City Manager and submitting the proposed system to Council for adoption. • Ensures that the performance agreements of section 56 employees are made public. • Approves the Corporate and Directorate SDBIPs. • Delegates his power to evaluate performance to all Mayoral Committee members within the functional area of their relevant portfolios. • Presents the Integrated Annual Report to the Council for approval
Internal Audit	Provides assurance and advisory services as it relates to performance management and in line with section 165 of the MFMA.
Mayoral Committee members	Sign off in consultation with the Executive Director, the Directorate SDBIPs within the functional areas of their relevant portfolios.
Organisational Performance Management Department	• Coordinates the Annual OPMS review and public participation process. • Coordinates the development of the top-layer SDBIP, Directorate and Department SDBIPs. • Coordinates the development of the ED scorecards. • Coordinates the development of the PIMS. • Ensures compliance with legislation and audit requirements relating to the PMS. • Coordinates the Corporate, Directorate and Departmental quarterly reporting process.

	• Develops the Integrated Annual Report. • Manages the OPM digital system.
Organisational Performance Collaborative Forum (OPCF)	Provides support and guidance to relevant Executive Directors, directorates, and departments through facilitation, coordination, and communication on the development, implementation, reporting, quality assurance, monitoring, oversight, and training of OPM deliverables, systems, and procedures.
Portfolio Committees	• Review and recommend business plans and SDBIPs to the Executive Mayor, together with the Mayoral Committee. • Make recommendations to the Executive Mayor, together with the Mayoral Committee, for submission to Council regarding the draft IDP, including amendments to the IDP during the annual review thereof, for consideration by Council. • Monitor the implementation of Council's IDP, directorate budget, directorate business plan, strategic objectives, policies, and programmes related to their functional area, and report thereon to the Executive Mayor, together with the Mayoral Committee, for submission to Council.
Policy and Strategy	• Research Branch: enhance the City's ability to successfully apply monitoring and evaluation (M&E) practices and systems by raising the evaluation maturity level of the City. • Strategic Planning: Leads the drafting, amendment and review of the City's Integrated Development Plan (IDP) in terms of relevant legislation for the purpose of setting strategic Citywide and organisational objectives over the 5-year term of office.
Sub-councils and ward committees	Provide the primary mechanism for consulting with communities on the plans and performance of the City.

12 Monitoring, Evaluation and Review

12.1 A comprehensive monitoring and evaluation framework will be developed to support this policy, outlining the criteria against which its effectiveness will be assessed.

12.2 The monitoring and evaluation framework will establish high-level indicators relevant to performance management to enable systematic tracking of progress toward the Policy's strategic objectives and desired outcomes.

12.3 In addition, the City's ongoing performance maturity assessments will continue to provide critical insights that inform periodic refinements and enhancements to this policy, ensuring that it remains responsive to organisational needs, legislative requirements, and evolving best practice.

12.4 This policy will follow a standard 5-year review cycle. Should an earlier review be required, this can be initiated via the City's standard policy review process.