

# Performance monitoring and evaluation

## The eThekweni Experience<sup>1</sup>, South Africa

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### ABSTRACT

*Monitoring and Evaluation is a management tool that tracks and assesses the performance of the public sector, thereby contributing to service delivery outcomes. Although it has been practised and has been relevant for many years, it is a fairly new applied concept to public sector organisations internationally. Stemming mostly from the lack of a clear and understandable minimum legal reporting framework, the results of performance management/monitoring has been highly subjective in the past. Furthermore, there was little or no assessment or evaluation of the impact of performance on the organisation or society in general. In addition, the information needs of the community to assess service delivery from different spheres of government were not clearly understood. With the implementation of various legislated frameworks on performance monitoring and evaluation of late globally, different stakeholders are provided with the means to ensure that service delivery is monitored and evaluated, thereby providing positive outcomes or impacts on society at large.*

*The establishment of a dedicated Department of Performance, Monitoring and Evaluation within the South African Presidency has been viewed as a firm commitment by the Government to address the on-going service delivery challenges. The policy, practice and systems relative to monitoring and evaluation have in turn cascaded to the three spheres of government thereby ensuring that it is integrated into all aspects of public sector governance. The Performance Management System (PMS) legislated for in South Africa will assist the municipality in monitoring and evaluating the implementation of its IDP which is also a legislative requirement. It will lead to increased accountability, continuous learning, and informed decision-making as well as provide an early warning system of impending deviations from the plan. The ultimate aim of performance management is to ensure improved service*



***delivery. "The IDP and Performance Management process appear to be seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDPs" (Van der Waldt 2007:124).***

***eThekweni City Council is one of the eight metropolitan municipalities in South Africa. It is a major port and industrial centre in the Province of Kwazulu Natal and is viewed as being "one of the best run and financially strongest municipality on the continent." (KwaZulu Natal Province- Department of Economic Development and Tourism 2011:8). The article expounds on the eThekweni experience, reflecting on how through its institutional re-arrangement/process re-engineering and automation resulted in an effective monitoring and evaluation tool for all levels of management in the organisation. It will also reflect on how the Municipality has implemented legislation on performance information in order to add value to the organisation and provide an evaluation tool for key stakeholders at the local sphere namely, the political and administrative component and local communities. It will also highlight some of the key challenges encountered in the implementation of the system and furthermore how they can be addressed.***

## **INTRODUCTION**

The South African Government adopted a Public Service Wide Monitoring and Evaluation Strategy in 2007 followed by the establishment of a national Department of Performance Monitoring and Evaluation in 2009 within the Presidency to monitor public sector outcomes. These key developments have contributed substantially to institutionalising monitoring and evaluation in the public sector. The Green Paper entitled, *Improving Government Performance: Our Approach* published by the Presidency points out that "the purpose of the outcome performance system is not limited to measuring outcomes and outputs. It serves as a mechanism to guide the direction of policy implementation – to ensure that we are doing what matters most. The system will serve to assess individuals and collectives of people, to evaluate an institution's effectiveness and even to assess the validity of a policy".

The constitutional basis for Performance Monitoring and Evaluation is highlighted in the relevant section of the *Constitution of the Republic of South Africa, 1996* detailing the objectives and accountability of the local sphere of government. Given the large number of public protests in the local sphere against poor service delivery, key stakeholders in national and provincial government are becoming increasingly concerned about the performance of municipalities. Consequently, there has been a shift of focus from the narrow technicist financial reporting system at the local level to a more comprehensive reporting base on service delivery and implementation of the Integrated Development Plan (IDP).

Performance Monitoring and Evaluation is a management tool to monitor, evaluate, review and report on the municipality's implementation of its objectives as detailed in its IDP. Considerable emphasis has been placed on ensuring the efficient, economic and effective use of public resources; accountability; transparency (relative to information);

responsiveness to local needs; and promoting the notion of a culture of public service among municipal functionaries. In this context, stakeholders are now seeking information on whether municipal services are being delivered to their communities efficiently and effectively.

This article reviews the Performance Monitoring and Evaluation experience at eThekweni Municipality, which is one of eight metropolitan municipalities in South Africa. Firstly, the legal framework for local government is highlighted and thereafter the local context for service delivery in eThekweni Municipality with a focus on achievements to date. Secondly, the challenges faced by municipalities in balancing the compliance aspect against the service delivery context is critically reviewed. Thirdly, the process and framework which has been adopted by eThekweni Municipality will be discussed, highlighting the linkages and alignment between strategic intent, performance information and the budget. The fourth area that will be focused on will be the automation of the systems and processes of Performance Monitoring, the challenges faced in terms of this focus and also the benefits accruing from it. Lastly the article will critically review the monitoring and evaluation of delivery on the IDP as cascaded to the operational level in relation to addressing daily issues raised by local communities in Durban.

## CONCEPTUAL OVERVIEW

Performance is not a new concept in public governance and was introduced in the early 1970s. Over the years, a body of knowledge has been developed including concepts such as *inter alia*, performance appraisal/review/measures/indicators; value for money and total quality management. Van der Walddt (2007:110) has pointed out that “the increased emphasis on performance, as illustrated by statutory and regulatory requirements, facilitated the incorporation of a performance orientation in municipalities”. Performance management has been defined as a “integrated, systematic, approach to improving institutional performance in order to achieve corporate strategic aims and promote the organisation’s mission and values” (Ghobadian and Ashworth in Van der Walddt 2007:112). Much more broadly, a performance management system should have as its main objective, enhancing the output of staff qualitatively by developing a linkage to municipal objectives, thereby emphasising both an individual and institutional dimension to performance. Consequently, each municipality should have a comprehensive performance management system in place to ensure that all structures and systems of the municipality are working in unison to ensure that the goals and service delivery targets of the municipality are being achieved.

Municipal performance unlike the private sector is not a clear cut issue as there are a large number of qualitative and quantitative factors impacting on the process. Boyle (2006:112) has identified five issues in this regard :

- **Outputs**—quality and quantity of services (eg. housing; water and sanitation) in relation to municipal policy;
- **Efficiency**—cost per unit of output;
- **Effectiveness**—achievement of objectives specified per service delivery output i.e. the relationship between outputs and outcomes;



- **Responsiveness**—involves perceptions of receivers of service. The higher the level of satisfaction with services rendered, the more responsive municipalities are seen to be; and
- **Democratic outcomes**—accountability, probity and participation. .

Van der Walldt (2007:113) points out that while performance even if it is good, has to be improved generally, there is an urgent need to address poor performance. He adds that the latter may be due to weak systems and processes; institutional structures that are inappropriate; skills and capacity deficit; institutional cultures which are inappropriate and lack of appropriate strategies (2007:113).

Performance has to be monitored to ensure that implementation is in accordance with what has been planned, thereby ensuring that municipal services are maintained, sustained and continuously improved. Monitoring should not only focus on financial performance, but also people, systems and policies. Performance measures and indicators are key instruments in the monitoring process. Critical to the process of monitoring and evaluation is the availability of timely and relevant information and its absence will make it a difficult task (Van der Walldt 2007:115). The compilation and distribution of performance information is therefore an integral management tool in this means – end continuum as a mechanism of reporting back to its stakeholders on the efficient, effective and economic utilisation of local resources to achieve set targets in terms of service delivery.

## LOCAL CONTEXT OF ETHEKWINI MUNICIPALITY

eThekwini Municipality is located on the east coast of South Africa in the Province of KwaZulu-Natal (KZN). It constitutes approximately 2297km<sup>2</sup> which is 1,4% of the land area of Kwazulu–Natal and is home to approximately 3,5 million people, which is roughly a third of the total population of the province. The multicultural population comprises Africans (71%); Indians (19%), Whites (8%) and Coloureds (2%). The majority of the population is youthful and in the 15-34 year age group (eThekwini Municipality 2012a:17).

The 2010 FIFA World Cup provided a thrust for the City as a major tourist and sporting destination. The design and creation of the renowned Moses Mabhida Stadium and the successful hosting of seven world cup games (including a semi-final) created a confidence in the citizens unsurpassed before. The Municipality was a key role player in managing the complex logistics and produce the event in the KZN Province. The success of the event thus provided impetus to the Municipality (both political and administrative) to encourage active documentation and showcasing the many innovations that it has not taken credit for. The establishment of a Municipal Institute of Learning (MILE) in late 2009 to document and share all innovations ensured that achievements within the Municipality and local communities to enhance the quality of life did not go unnoticed. The strategic objectives of MILE are:

- to facilitate the enhancement of professional and technical capacity of local government professionals on the African continent;
- to position the Municipality as a platform for innovating, learning and sharing with other municipalities, associations and networks, both locally and internationally;

- to leverage partnerships with tertiary institutions in order to promote collaborative research programmes that will improve the effectiveness of local government;
- to provide a technical support service to other municipalities in an empowering and innovative manner; and
- to co-ordinate the internal knowledge management agenda within the Municipality (eThekweni Municipality 2012a; eThekweni Municipality 2012b:34 and [www.mle.org.za](http://www.mle.org.za)).

In terms of the Gross Value Added (GVA), the local economy grew by 3,04% to R182,2 billion in 2011. Comparatively, Tshwane grew 3,84% to R167 billion with Johannesburg at 3,06% (R262 billion) and Cape Town at 3,36% (R189 billion) (eThekweni Municipality 2012b). The dominant sectors were finance, manufacturing, community services, trade & transport. Total employment in the formal and informal sector grew by 1,1% to 1 095 087 in 2011. The number of additional jobs created was 35 443 which is less than the target of 45 000 jobs per annum (eThekweni Municipality 2012b). Exports rose by 18% to R44,3 billion and imports by 24,6% to R71,2 billion. Unemployment was reduced from 290 392 to 270 976 people. The annual per household income has increased from R167 805 to R182 435. Compared to 2010, the tourism figures showed a slight decline in the number of trips to Durban, over the 2010/2011 period, but the amount spent showed an increase of 2,3%, which is attributable to the number of international visitors for the 2010 World Cup and the COP17 conference.<sup>2</sup>

The greatest health related challenge facing the Municipality is the high incidence of HIV and AIDs. The concern is that whilst the national average amongst the 15-45 age group is between 17% and 18%, the average in the Province is 25%. The state of health in the EMA is hugely compromised because the Municipality has found itself having to fund health initiatives from its own budget whilst it is a national and provincial mandate.

Conservation International describes the EMA as a *Biodiversity Hotspot*, one of only 34 internationally with topography which is quite diverse, which ranges from a flat coastal plain to steep escarpments. There is 98 km of coastline, 18 major catchments and 16 estuaries, 4000 km of river, and nearly 75 000 hectares of land that has been incorporated in the landform identified as part of the Durban Metropolitan Open Space System (D'MOSS) (adopted December 2010). Habitat destruction (rapid urbanisation and land transformation), invasive alien species, pollution and climate change are widely regarded as the greatest threats to biodiversity and the associated delivery of ecosystem services.

eThekweni like other municipalities nationally post 1994 is grappling with the strategic goal of equitable service delivery and infrastructure provision to all its citizens. Notwithstanding the difficulties of limited funding available to deal with huge backlogs and the inability of many households to pay for basic services, considerable progress has been made in this regard (eThekweni 2012b). Free water and electricity within a prescribed threshold is provided to assist the indigent. The first R120 000 of any property is exempt from the payment of rates. Although 164 000 houses have been built, there is still a backlog of 410 000 units. The key challenges for housing are the huge backlogs with limited funding available and it being an unfunded mandate. Projects have also stalled due to delays experienced in land acquisition, lack of well-located and suitable land, environmental and developmental approvals and conflicting interests, especially with adjoining communities (eThekweni Municipality 2012b).

The EMA is divided into four Spatial Development Plans viz. the North, South, Central and Outer West. Spatial Development Plans provide strategic multi-sectoral planning guidance for each planning region that translates the spatial intentions of the Spatial Development Framework. It indicates the short, medium and long term growth and development opportunities, manages and directs future development and investment over a 20 year timeframe. The Municipality's development priorities and phasing are identified and it provides broad based land use, environmental, transport planning and bulk infrastructure directives to guide more detailed planning within Local Areas and Precincts and informs the Land Use Schemes (eThekweni Municipality 2012b).

As a coastal Municipality eThekweni, with a large manufacturing base, is at risk and vulnerable to a range of technological, natural, man-made and environmental disasters. These disasters pose a threat to the development objectives of the Municipality. Consequently, it has implemented risk management measures which aim to minimize the effects of disasters. Communities are educated and trained to recognise the importance of disaster management and formal emergency services are also extended to residents. Activity in the Port of Durban has been steady and currently there are plans to build another dug-out port on the old Durban International Airport site (eThekweni Municipality 2012b).

Approximately 40% of the residents travel by public transport viz. rail (7%), bus (25%) and taxi (68%). The Municipality is fairly well serviced with commuter rail services (eThekweni Municipality 2012a). The taxi and bus route system provides extensive coverage throughout the municipal area and beyond. There are approximately 1 600 unidirectional bus routes which are serviced by approximately 200 operators in a mix of subsidised contracts and unsubsidised services. There are approximately 1 500 unidirectional taxi routes, serviced by 120 taxi associations in the municipal area. This multi-faceted and dynamic local context is therefore the platform on which the Municipality's performance monitoring and evaluation system has to be evaluated.

## THE LEGISLATIVE FRAMEWORK IN CONTEXT

The following policy and legislative enactments governs the Performance Monitoring and Evaluation System in South Africa :

- *The Constitution of the Republic of South Africa, 1996;*
- *White Paper on Transforming Public Service Delivery (1997);*
- *White Paper on Local Government, 9 March 1998;*
- Local Government : *Municipal Systems Act 32 of 2000;*
- *The Municipal Finance Management Act 56 of 2003;*
- Municipal Planning and Performance Monitoring and Evaluation Regulations, 2001;
- Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006; and
- *Local Government: Municipal Structures Act, 117 of 1998 (Van der Waldt 2007:113–114).*

Further to the above, the National Department of Performance Monitoring and Evaluation in the Presidency, has also created a framework for Performance Monitoring and Evaluation.

The Constitution of South Africa (1996), notably section 152 which highlights the objectives of local government emphasises the need for Performance Monitoring and Evaluation in the context of an “accountable government”. In order to achieve this, the key elements of any Municipal Performance Monitoring system has to be compliant in this regard. Stemming mostly from the disparate legislative requirements from the Departments of National Treasury and Cooperative Governance (COG), it seems that the municipalities across the country have interpreted the reporting requirements differently.

## The Differing Legislation

COG and National Treasury both promulgated legislation on Performance Information. In 2000, DPLG (now COG) released *The Local Government: Municipal Systems Act* No 32 and thereafter its regulations in 2001. The legislation requires municipalities to set up a Performance Management System and to report on organisational performance, which needed to be also audited and included in its annual report. Municipalities, therefore, established Institutional or Organisational Scorecards to measure delivery on the Integrated Development Plan which is a legislative requirement.

The National Treasury introduced the *Municipal Finance Management Act*, 56 of 2003 which referred to the measurement of performance as the Service Delivery Budget Implementation Plan and also provided clarity on what information needed to be reported on in terms of municipal performance, but with the emphasis on the budget. The challenges faced by municipalities thereafter are the interpretation of both these legislation. Some municipalities perceive these as two different reporting requirements, whilst others merged both requirements and reported on one format.

eThekweni fell into the first category to the extent that two different departments were reporting on performance information, in order that both National Government’s legislation was being addressed. This resulted in a disparity of information as well as a duplication of reporting.

With the formation of the Performance Management Unit in 2007, the eThekweni Municipality centralised its Performance Information reporting obligations in order to provide an effective reporting framework. The Performance Unit reported directly to the City Manager on Organisational as well as Individual Performance Management. The development of the SDBIP was later transferred to the new Unit and during the next five years, an entire remodelling of the Performance Framework for the organisation and individual performance was undertaken. In addition, the name of the Unit was changed to Performance Monitoring and Evaluation.

## Legislated KPI’s

COG also requires reporting on legislated Key Performance Indicators for municipalities, depending on the services they deliver. As a Metro providing all basic services, the Municipality, has to report on all legislated Indicators. This constitutes a challenge as one of the legislated indicators on which feedback is expected is the number of households earning less than R1 100 per month with access to free basic services.



The figure of R1 100 was legislated in 2001, which was the indigency indicator of households at that time. With very little thought regarding potential changes in determining levels of indigency, the National Government gazetted regulations that indigency be based on R1 100 per household. This has changed substantially over the last 11 years, however the legislation remains unchanged. Realistically speaking, with the growth of the informal sector, as well as the influx of individuals and families into the city, it is nearly impossible to determine household income at a given point in time, let alone on a quarterly basis, as required by legislation.

eThekwini did not have an indigent register in place, which could measure such an indicator. In order to report indigency the Municipality was required to have access to household level income data, which is not available from census data (since the census does not disclose data at a household level). Furthermore, such data need to be updated annually in order to reflect any changes in income status. Undertaking an annual survey of every household to determine income levels would be a major undertaking and would deliver results with low levels of accuracy due to the reluctance of households to divulge income-related information. In addition, the income generated within the informal trade sector is an unknown factor.

The Municipality has adopted a number of methods to determine which households fit the category of indigent, in the absence of an indigent register. These include *inter alia*, using the value of properties below R120 000 as an indicator of indigency or households which only use the free portion of water and electricity provided to all households.

Submissions were made to COG and National Treasury for the legislation to change to address the challenges, however with the ongoing changes in the leadership within the National Departments which review or change legislation, this has not yet been addressed. To compound matters further, the Auditor-General's audit on performance information reflects this as a non-compliance issue.

## **Duplication of information**

A challenge that needs to be addressed by the Municipality is the numerous questionnaires and reporting templates which need to be completed for the various provincial and national government departments.

Different national departments require templates to be completed on performance information and returned to them urgently. Many of these templates require the same information in different reporting methods. In some cases different sections within the same National Government Department would send out separate questionnaires requesting the same information in different formats. One of the main complaints from the service delivery departments at the Municipality is that, when they are required to provide such information, whether they should be focusing on providing information required in these questionnaires rather than focus service delivery.

On a positive note however, the numerous publications, legislation and guidance from Government on performance information recently, is a clear indication of the emphasis Government is placing on performance monitoring in all spheres of Government. The establishment of a dedicated Department of Performance, Monitoring and Evaluation within

the South African Presidency can also be viewed as a firm commitment by Government to address the ongoing service delivery challenges faced by the majority of South Africans.

## **PERFORMANCE PROCESSES WITHIN ETHEKWINI MUNICIPALITY**

The *Green Paper on Improving Government Performance* states that “Ensuring that the outputs deliver the outcomes that have been politically chosen, is a measure on whether government is being effective”. Kaplan and Norton, the pioneers of the Balanced Scorecard methodology moved the thinking from a financial reporting base to a Balanced Scorecard approach in executing strategy. Using the Balanced Scorecard Methodology of Kaplan and Norton, eThekweni has personalised the concept in order to create a Municipal Scorecard which will meet the needs of its communities, its administrators as well as the political component.

The current municipal manager, in one of his first presentations to the councillors in 2012 indicated that the Municipality must be performance driven and create a culture of high performance. In this context, the Municipality has endeavoured to create and implement a meaningful, holistic and effective Performance Monitoring and Evaluation System, which will add value to the decision-making process for management and also provide an evaluation tool for all stakeholders. This system uses a systematic approach, where performance is monitored not only at organisational but also at an individual level. In addition, one of the critical issues that is addressed in eThekweni’s framework for performance is compliance to the legislation.

The Municipality has used the relevant legislation and developed a framework document for Monitoring and Evaluation. The objective is to establish an effective and timeous performance measurement tool that will be used to monitor as well as periodically evaluate performance on a quarterly basis. This process has aided in tracking progress on the achievements of the Integrated Development Plan of the Council. It also provides the platform for the following:

- a management tool effectively used for planning;
- high levels of accountability in the use of resources;
- greater transparency;
- promotion of good governance;
- promotion of a performance culture;
- a demonstration of how monitoring and evaluation will be conducted;
- ensuring an effective and timeous quarterly reporting process;
- proactive interventions and subsequent corrective action plans;
- a performance database which can be utilised for reporting to other spheres of government; and
- constant focus and review of the achievement of goals/outcomes.

### **Integrated Development Plan (IDP)**

The first step in any municipal environment is the development of the Integrated Development Plan which details the strategy of the Organisation. It is a strategic plan which is viewed as



being inclusive as it links, integrates, co-ordinates, plans and aligns resources. It provides a basic framework for developing annual budgets. The IDP is also informed by the Millennium Development Goals and the national and provincial development priorities.

The adopted Integrated Development Plan of eThekweni Municipality is the guiding policy framework for all planning, management, investment, development and implementation decisions, taking cognisance of input from all stakeholders. It reflects a vision for long term development; an assessment of development priorities/objectives/strategies; a spatial development framework; operational strategies; a disaster management/financial plan and the key performance indicators and targets.

The relationship between IDP and Performance Monitoring and Evaluation is therefore critical, as the former is monitored by the Municipality's Performance System. eThekweni's IDP is made up of eight plans addressing key development challenges, namely :

- high unemployment and low economic growth;
- high levels of poverty;
- low levels of skills development and literacy;
- limited access to basic household and community services;
- increased incidents of HIV/AIDS and communicable diseases;
- loss of Natural Capital;
- unsustainable developmental practices;
- high levels of crime and risk;
- adequacy of energy and water supply;
- food security;
- infrastructure degradation;
- climate change; and
- financial sustainability (eThekweni Municipality 2011:11).

## National Key Performance Areas

The five **National Key Performance Areas (KPA's)** as legislated is used by the Municipality as the starting point in its Organisational Performance Scorecard and Service Delivery Budget Implementation Plan (SDBIP). These key performance areas need to be legislatively reported on, covers the four basic elements of the Balanced Scorecard, which are the Customer (Basic Service Delivery), Financial (LED and Financial Viability), Internal Processes (Governance) and Learning and Growth (Municipal Transformation and Organisational Development). The Integrated Development Plan of the Municipality, after a rigorous process with its community participation programme, is developed using the National Key Performance Areas. Eight plans identified over the years, depicted in Table 1 (eThekweni Municipality 2011) is addressed in its IDP. Within each key performance area in each of the eight point plan, a number of Strategic Focus Areas (SFA's) have been developed. SFA's are medium to long term (possibly three-five years) development issues which will be addressed by the Municipality.

Key Performance Indicators are then developed, taking into consideration the following concepts:

- key priorities and objectives set in the IDP, which have been determined during the public participation process at ward committees;

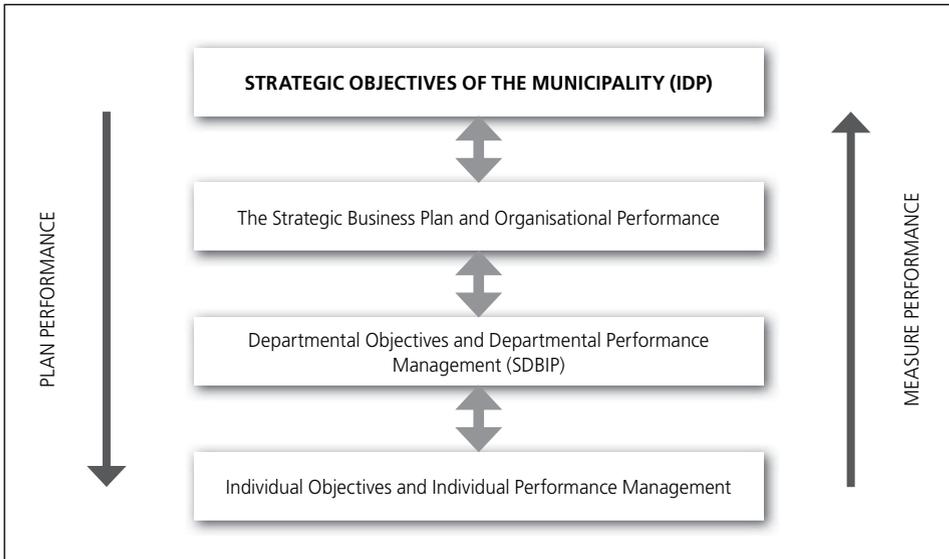
**Table 1: National Key Performance Areas and the eight point plan**

National KPA	8 Point Plan
Municipal Institutional Development and Transformation	Good Governance and Responsive Local Government
	Creating a Platform for Growth, Empowerment and Skills Development
Basic Service Delivery	Develop and Sustain the Spatial, Natural and Built Environment
	Creating a Quality Living Environment
	Fostering a Socially Equitable Environment
	Financially Accountable and Sustainable City
Local Economic Development (LED)	Developing a Prosperous, Diverse Economy and Employment Creation
	Embracing Cultural Diversity, Arts and Heritage
Municipal Financial Viability and Management	Financially Accountable and Sustainable City
Good Governance and Public participation	Good Governance and Responsive Local Government

- processes and activities identified in the IDP for achieving the developmental objectives as well resources allocated; and
- whether data is available for the measurement of the KPI's.

The current model for performance information is as follows (eThekweni Municipality 2012<sub>b</sub>):

**Figure 1: Model for performance information in Durban**



Once KPIs are set with the community's involvement, the targets are based on the availability of budgets. Only items which are budgeted for are included as projects in the SDBIP. The SDBIP is linked to the Scorecard which provides a high level indicator which measures the IDP. It is viewed as a *contract* between the citizens and Municipality emphasising the objectives and goals defined as quantifiable outcomes by the latter that can be implemented over the next twelve months. This constitutes the basis for evaluating performance relative to service delivery, implementation of the budget and annual targets.

## Core Elements of the Performance Monitoring and Evaluation Cycle

The eThekweni's Performance Monitoring and Evaluation Cycle contain the following core elements (eThekweni Municipality 2012<sub>b</sub>) :

**Performance Planning** ensures that the strategic direction more explicitly informs and aligns the IDP with all planning activities and resource decisions. This is the stage where Key Performance Areas and Key Performance Indicators are aligned to the IDP and national requirements, and targets are set.

**Performance Monitoring** is continuous to determine whether performance targets have been met, exceeded or not met at all. Projections can also be made during the year as to determine if the final and future targets will be met. It could occur on a quarterly and annual basis.

**Performance evaluation** analyses why there is under-performance or what the factors were, that allowed good performance in a particular area. If targets are not met corrective action is recommended. Evidence to support the status is considered. An additional component is the review of the indicators to determine if they are feasible and are measuring the key areas appropriately. A corporate analysis of performance is undertaken by the Performance Monitoring and Evaluation Unit, to examine performance municipal wide in terms of all priorities.

**Performance Reporting** entails reporting four times a year to management, the performance audit committee, council and the public. In addition, the quarterly report is also prepared and sent to the Internal Audit section to be audited, prior being sent to council and the performance audit committee.

**Performance auditing** is a key element of the monitoring and evaluation process as it entails verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. The results of performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General<sup>3</sup>. The framework and structures are in place to evaluate the effectiveness of the internal performance measurement control systems.

## Link to Individual Performance

Most employees have a very narrow view of the work that is performed by their department/unit. The reason is that most departments work within a Silo mentality, believing that only the work they produce is of any consequence. Little regard for the work of others has been the most apparent mindset. In the past this attitude has severely impacted on service delivery. Clearly the inter-dependent relationships most departments have with each other is

the cornerstone to realising the organisation's goals as a whole. Moving employees from this attitude to a performance mindset has been a huge challenge at eThekweni. The PME Unit has focused on training and support to the relevant stakeholders at all levels as an ongoing activity. As reporting is required to take place quarterly, these challenges in ensuring full and accurate reporting on KPIs by Plan Stakeholders has become a critical issue for the Municipality.

In order to address this as well as create a full alignment from IDP to individual performance, the latter system is directly linked to the deliverables in the Organisational Scorecard and the Service Delivery Budget Implementation Plan. Management is therefore monitored on the KPIs on the Scorecard and the SDBIP which they are accountable for. This in turn ensures that there is no disparity between individual performance and organisational performance, in contrast to organisations which perform poorly but where high bonuses have been paid to officials.

## Challenges

The saying *What gets measured, gets done* was adopted by the Municipality in framing its Performance Monitoring and Evaluation System. The reason is that like most public institutions, most of the tasks were based on what was done in the past. This attitude of *we have always done things in this way* was a stumbling block towards focusing on steering resources towards service delivery and critical key performance areas.

Challenges experienced in relation to implementation includes *inter alia*, the lack of buy in from management and staff, lack of understanding the performance environment and having no proper measurement tools to properly measure performance. With quarterly capture necessary for the input of information into the Scorecard and SDBIP, the PME staff send out continuous reminders to Plan Stakeholders on when to capture the information at the end of the quarter, ensuring accurate information is being reported on and providing help desk facilities for lost passwords, or a reminder of how to obtain information. Training users have also become a requirement on an ongoing basis.

## Key Issues Impacting on the Success

The success of the Performance Monitoring and Evaluation System is dependent on the following areas which have to be addressed, namely :

- council and top management to drive the system;
- municipal – wide communication of the Integrated Development Plan;
- clarity on strategy to determine the objectives of the Municipality, each business unit and employee;
- channels of communication needs to be in place;
- a clear understanding and appreciation of the value of having a performance measurement system;
- the development of employees identified through the process and providing learning opportunities in the context of planning, coaching and reviewing performance;
- a change management strategy should in place;
- the framework for achieving goals should also be SMART;



- management need to be aware of employees' progress to achieve Scorecard and SDBIP goals in order to provide resources and training, as and when required;
- review team goals at least once a month; and
- the process should be viewed as ongoing, as opposed to an annual performance review.

## INTEGRATING TECHNOLOGY

An electronic platform was developed to address some of the challenges facing the Municipality in ensuring proper reporting, and to facilitate the integration between Performance Monitoring and Evaluation and other management processes. Several systems had been tested and currently an in-house Enterprise Performance Monitoring system has been developed and implemented

### Organisational Performance

STEP 1: The first step in this process was to understand the business requirements. The legislation was the first point of reference. The legislation together with the eThekweni Framework for Organisational Performance formed the basis of the requirements.

STEP 2: Then compile the current (AS-IS) business process document and then overlay the legislated requirements to identify GAPS.

STEP 3: Stakeholders within the Municipality were interviewed to determine strengths and weakness with the process from the user's perspective. The following challenges were identified:

- data integrity;
- reporting format;
- version control;
- reporting control;
- status tracking;
- access to plan owners and representatives;
- collation of stats;
- reporting deadlines;
- automated reminders;
- early – warning alerts;
- ownership by Plan Owners;
- portfolio of evidence;
- not linked to supporting “systems”; and
- auto generation of SDBIP

STEP 4: A benchmarking exercise against the following municipalities was done:

- City of Cape Town
- Cape Winelands District Municipality
- Ekurhuleni Municipality
- Buffalo City Municipality
- Tshwane Municipality (Singh 2011:3).

STEP 5: A GAP analysis was done on the electronic system that was implemented. This covered the system requirements as well as user expectation. The table below outlines the findings (Singh 2011:5) :

**Table 2 : Gap analysis of system requirements and user expectations**

	Met	Inadequate	Not met
Channels of Communication	√		
Organisation Scorecard Report	√		
User Friendly	√		
Data warehouse	√		
Tool for assessing and managing the overall health and success of the business		√	
Change Management		√	
Monitoring: Feedback Mechanism		√	
Promote Accountability & Transparency		√	
Trend analysis		√	
SMART KPI's and Targets Set		√	
Provide Early Warning Signals • Via SMS • Via E-mail	√		X
Business Continuity • Internal Development Team • Administration of the System • Support • Documentation		√	X X X X
Service Delivery Budget Implementation Plan			X
Translation of content to other languages eg. isiZulu			X
Guidelines and Policies – Framework			X
Identify Major Systemic Blockages			X
Linkage to Document Management System			X
Management Toolkit – Value Adds			X
Provide a mechanism to monitor resource usage			X
Provide useful information to ensure efficient utilization of resources			X
Linking the organization's performance to individuals			X

Further challenges were highlighted and were common amongst all stakeholders (Singh 2011:6) :

- Lack of System Driver: For a system to operate effectively, it must be used. Without a system driver directing the use and operations of a system, the users became disinterested.

- Manual Intervention: Transactional systems for some KPIs were non-existent. To cater for this, excel type files were used to upload data into the data warehouse. Not only did this create extra work for staff, but there was an element of manual intervention in preparing the data, which resulted in errors with the data as well as delays in the availability at the time of upload. The cascading effect of incorrect or no results from the system.
- Connectivity: The connection to the servers was at time slow which resulted in time outs and the data would not be uploaded.
- Data Integrity: Due to the points listed above, the accuracy of the data was compromised. As a result users lost faith in the system.
- Cost: No eThekwini staff was able to make changes to the system. Therefore, any changes requested had to be sent to the consultants which came with a cost to the requesting party.
- Resistance from Staff
- Monitoring, Evaluating and Reviewing: A system that has no outcome is not worth the effort put into it. Many users felt that their efforts in populating the system with data was in vain, as there was no sign that management was monitoring, evaluating and reviewing the outputs (Singh 2011). It was evident from these investigations that automation was the best solution to address the challenges. After viewing several off-the-shelf packages, the Unit opted for in-house development.

It was important to address the immediate areas of concern. Therefore an existing project monitoring tool was used as an interim measure, until the new system could be developed.

The in-house development of the Organisational performance system comprises of 3 modules.

### ***Module 1: Quarterly Capture***

In October 2009, the SDBIP was implemented on an existing tool that needed minimum development. In June 2010, the Scorecard (eight Point Plan) was implemented using Cognos, which is a reporting tool. This implementation addressed the major challenges of the *manual* excel based system, namely data integrity; reporting format; version control; reporting control; status tracking; access to plan owners and reps; collation of stats; reporting deadlines. With these challenges being addressed, development then commenced on the new system called Enterprise Performance Monitoring Application (EPMA). This new system merged the Scorecard and SDBIP into one performance reporting tool and also addresses the other challenges, notably early – warning alerts; ownership by plan owners and portfolio of evidence.

EPMA was implemented in June 2011, with the outstanding areas still to be developed.

In the absence of the following modules, the plans are captured on MS Excel and uploaded into the system.

### ***Module 2: Draft Performance Data (Drafts) and***

### ***Module 3: Mid Term Amendments (MTA)***

These two modules are currently being developed and cover the same business rules that occur at different times of the year.

Once Module 2 & 3 have been implemented development will commence on integrating the EPMA with other existing systems so that data can be pulled from transactional systems.

Towards the end of each reporting period, the implemented modules are reviewed to address user challenges and make enhancements.

## Individual Performance

The PME Unit co-ordinates the performance plans and agreements for Section 57 (*Municipal Systems Act, 2000*) employees and Senior Management that have signed a performance contract.

The biggest challenge with the individual performance management was the alignment of the individual performance plans with the organisational performance plans.

There were fewer challenges with the individual performance process and therefore focus was placed on automating the organisational performance process which will then feed into the individual performance plans thereby addressing the misalignment.

The IPMS was implemented in January 2011 at the Treasury Cluster – pilot implementation. The implementation was not successful due to misalignment in the business process. Due to the nature of the process, it was not possible to correct the business process and continue with the implementation. However, a few users did use the system and based on their usage, enhancements were made. These enhancements are currently being tested.

## Service Provider Performance Assessments

The *Local Government: Municipal Systems Act, 2000* requires the Municipality to assess all external service providers that have entered into a service level agreement to provide a municipal service. PME together with the Supply Chain Management Unit developed a policy on the Performance Assessment of Service Providers in 2009. The policy was developed not only to align with the legislation but also to provide a useful tool that provides management with information for effective decision making. Extensive research and public participation was covered. Based on the number of contracts that are awarded, the lack of an automated system will render the assessment exercise futile as data will not be easily accessible. An automated system which is being developed in stages will address the challenges. This module is currently being developed and is scheduled for implementation in November 2012.

## Challenges with Automation

While custom development proved to be the best option, it does come with several challenges :

- Resources – IT Developers: The Municipality has an IT department and all IT requests are sent to IT for development. Due to the number of business units that IT supports and the absence of a full complement of developers, there is a delay in obtaining resources. Furthermore, developers are often working on several projects. As a result deadlines are seldom met. To address the shortage of developers, the IT department has commenced with a graduate trainee programme. However, as employees acquire knowledge



and experience, they leave for greener pastures. It was important to take these into consideration when planning. Breaking up the development into smaller modules then reduced the risk of not meeting the project deadline when developers were changed.

- **Data:** The main challenge with the EPMA system was the loading of data. The business process requires that only data that has been approved by council can be reported on. Often, incorrect versions of the data are submitted for loading. The loading, unload and reload of data compromises the integrity of the system due to the linkages on the database. This also creates many delays as several manual verification processes must be done before the system is suitable for record purposes.
- **PC Configuration:** Although the systems are developed to run on Internet Explorer, user PC configuration and network rules often create difficulties for applications to run across the network. This created a major challenge when the system was first implemented which resulted in a negative perception of the application as users were unable to distinguish between application problems and network/PC problems.
- **Users' understanding of the business processes:** Users' inability to understand the business process created a few challenges. Due to their lack of understanding of the business process, the system rules were seen to be bugs.
- **Bugs:** Despite intensive testing, bugs were identified when the system was implemented. These were resolved quickly as the developers were on standby for the two week post implementation support.
- **Change Management:** Change management was not effective. Many users reported that they were not informed of changes to the system or business process. To address this, all future development will be accompanied by a newsletter highlighting amendments. These will be released by the development team.
- **Business Process:** Automation will almost always require changes to the business process. Changes to the business process and automated system must be released in at the appropriate time.

## Benefits of Automation

- **Time Saving:** Before automation of the business process, the coordinator would spend many hours sending reminders and requesting users for data. With up to 200 users this was quite a task. The system now sends email reminders periodically as well as exception reminders to users who have not completed their updates.
- **Correctness of data:** Only performance information that is adopted may be reported on to council. Users often have mixed versions of the excel file which resulted in incorrect data updates. Much time was needed to ensure that the correct data is reported on. With the automation, all data that was approved by council is locked and users can only update the data that is required as per each quarter update.

Further rules have been built into the system with data validation to prevent users from entering incorrect statistics. Required fields that are missed sends out *pop up messages*.

- **Access to information:** By automating the system, all users have access to information at any time and are assured that the correct and most up-to-date version of the data is being accessed.

- Early Warning Signal: The business process was amended to restrict users from updating project achievement with a narrative. All quarterly statistics are now reported with a numeric figure. The system highlights areas of non-performance. This serves as an early warning indicator.
- Alignment to the IDP: The IDP data has been incorporated into the database and this enables all plans to be aligned correctly to it.
- Alignment to the eThekweni Risk Register: Although this element has not been implemented, the performance system will be integrated into the risk system thereby ensuring alignment between IDP, PME and Risk Management.
- Reports: With automation the reports have been setup so that the user can generate their own reports by select fields from a parameter list. The report format remains consistent with fields being changed based on need.
- Portfolio of evidence: The system allows for users to upload evidence. This is then filed on the server for future use in the Quality Assurance process as well as for the Auditors to use.
- Linking KPIs to programmes: For KPIs that are related to programmes and projects, a formulae can be setup to correctly calculate the achievement at the KPI level. This reduces the administration on the KPI owner and also ensures correctness of data.
- Aligning Individual performance to organisational performance: Automation has enabled correct alignment between the two areas of performance. On the Individual performance plans, incumbents are also able to correctly align their plans to that of their manager.

## OPERATIONAL INDICATORS

In 2009 the Performance, Monitoring and Evaluation Unit embarked on initiating monitoring and reporting on operational issues of the municipal environment. This project was to address the concerns raised by the Municipality on receipt of correspondence on issues from residents through various sources like emails, letters, telephone and media. It is a challenging task for management to review the correspondence received, take the necessary actions and assess the impact that these actions have had on service delivery. Furthermore, the primary focus in terms of monitoring and reporting has been about legislated requirements and strategic indicators.

A system of coordinating, managing and reporting on operational issues was therefore needed. The focus areas of this project is to :

- identify and address City issues proactively through relevant practical operational indicators;
- monitoring the performance of Business Units and systems in correcting problems reported in the City; and
- educating the public.

The project requires collaboration of four spheres, as highlighted below :

- By creating these synergies the City will be able to focus on strategic and operational issues.



**Figure 2: Collaborative partnerships between municipality, residents, private sector and educational institutes**



- The purpose of the project is to create a process to (Singh 2011) :
- monitor & evaluate the efficacy of the Municipality's response to public and media feedback;
- improve on municipal services by benchmarking against the private sector and other State bodies; and
- assist business units with the monitoring of key operational areas and address challenges identified.

Thereby

- providing easy access to information enabling informed management decisions;
- providing tools to monitor progress on operational indicators;
- ensuring the ability to become proactive by detecting challenges early;
- limiting negative publicity; and
- providing effective utilisation of the area based management structure

The projects identified were as follows:

- A dashboard of indicators on operational statistics on municipal vehicle usage including unauthorised usage of vehicles, frequency of municipal vehicles at places of interests like shopping complexes etc, comparative analysis of expected mileage against actual mileage, and comparative analysis of logged trip sheets and data.
- Media Monitoring–A database and application have been created for the monitoring and reporting on media coverage of eThekweni Municipality.
- Monitoring of Call Centre Reporting –analysis of all call centre information in terms of calls received, response and repair times of faults logged for Electricity, Water, Traffic and Roads and Stormwater Maintenance.
- Monitoring of Disclosures of Interest of New Engagement of employees to ensure compliance with Schedule 2 of the *Municipal Systems Act, 2000*.

- Creating a positive image of the City – the production of three publications addressing aspects of service delivery that have received a high frequency of negative coverage in the media.
- Councillor Queries and Resolutions to develop a process to collate, record and address all queries raised by Councillors. Further a feedback mechanism to Council will be utilised once queries/issues have been resolved.

The optimal functioning of operations will assist in improving municipal service delivery to residents. The Municipality has proposed a peer learning exchange to share information and good practice at other metropolitan municipalities. The peer learning exchange will provide an opportunity to share knowledge and experience at other metropolitan municipalities in South Africa.

## CONCLUSION

The Green Paper on Improving Government Performance states that Performance Monitoring and Evaluation must not be an end in itself. The outcome and output measures have to be utilised in such a manner that it ensures a behavioural change, and creates a culture of accountability. Significant progress has been made in developing an effective, efficient and holistic Performance Monitoring System for the Municipality, its citizens, the political component as well as its administration. It is a dynamic environment with much to learn and still much to accomplish. Several challenges as highlighted have been encountered in the course of implementation; however, it is believed that with the passage of time, and more importantly a change in mindset it will become more entrenched and developed further.

## NOTES

1. Presented at the 34th AAPAM Annual Roundtable Conference on “Performance Management for Improving Public Service Delivery in Africa” held at Zanzibar, Tanzania, from 12th – 16th November 2012.
2. eThekweni Municipality 2012b.
3. Section 45 of the Local Government : Municipal Systems Act 32 of 2000

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