

OFFICE OF THE CITY MANAGER

**CORRECTIVE ACTIONS REPORT ON THE AUDITOR-GENERAL'S
ASSESSMENT ON THE CITY PERFORMANCE MEASUREMENT FOR
YEAR ENDED 30 JUNE 2005****1. STRATEGIC THRUST**

Good Governance

2. OBJECTIVE

To inform the Mayoral Committee on the corrective actions that will taken to rectify the developmental areas on the City performance management system as identified by the Auditor-General in terms of section 45(b) of the Local Government: Municipal Systems Act, 2000 (Act. No 32 of 2000).

3. BACKGROUND

In terms in terms of section 45(b) of the Local Government: Municipal Systems Act, 2000 (Act. No 32 of 2000), Auditor-General is required to assess or comment on the processes followed during the implementation of the performance management system.

During this assessment, the Auditor-General made the following findings, which the City gladly welcomes and has initiated interventions to rectify all the processes that require improvements:

Performance management has been identified as an integral part of recommitted and refocused City administration. The City Performance Management System (PMS) is being revised to reflect renewed focus on results oriented administration. The revised PMS will radically reinforce collective accountability within all City' employees.

The City appreciates the developmental areas identified by the AG in his latest assessment (2004-2005) of the City's PMS. These developmental areas are providing the City with an opportunity to continue to improve the dynamic institutionalisation of the performance management in the administration.

AG's findings	City's response
3.6 Internal monitoring of performance measurement: <i>Reporting to Council was only done once a year as opposed to the requirement of Regulation 13 of the Local Government: Municipal Planning and Performance</i>	<i>The City's has initiated a process to submit at least two-performance report to Council.</i>

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<i>Management Regulations, 2001 to report at least twice a year</i>	
3.7 Internal control of performance management system: No assurance could be obtained to indicate that the Audit Committee received the required information so as to enable it to: • Review the municipality's performance management system; • Focus on the economy, efficiency, effectiveness and impact in so far as the KPI's and performance targets set by the municipality were concerned; • Provide the municipality with recommendations regarding the review done by the committee of the performance management	<i>In redefining the institutional arrangements for performance management, the City will also provide the Audit Committee the quarterly performance report submitted to the Remuneration and Performance Management Panel.</i>

The City will continue to build institutionalise performance management in order to seek new and creative ways to improve service delivery and promote collective accountability in the municipal leadership and management.

4. LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report complies with the requirements of the provisions of the Municipal Systems Act, Municipal Planning and Performance Management Regulations, Municipal Finance Management Act.

5. FINANCIAL IMPLICATIONS

None

6. POLICY IMPLICATIONS

Changes to the City PM Policy

7. COMMUNICATION IMPLICATIONS

The corrective actions will be communicated to the all departments.

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8. OTHER BODIES/DEPARTMENTS CONSULTED

ED FED, INTERNAL AUDIT AND CPU

IT IS RECOMMENDED

- 1. That the Mayoral Committee notes the responses to the Auditor General**

**Pascal Moloi
City Manager)**