

REPORT BY BCM ON RESULTS OF PERFORMANCE MEASUREMENT FOR THE YEAR ENDED 30 JUNE 2004.

INTRODUCTION

The Auditor General has completed the examination of the results of the performance measurement for the period ended 30 June 2004. The report set out hereunder, is the response from BCM.

3. FINDINGS

The following matters were identified:

3.1 Development of an integrated development plan

Noted. (City Manager)

3.2 Development and implementation of a performance management system

The adopted Performance Management Process Plan outlines the Activity plan to be followed in terms of the Development and Implementation of Buffalo City Municipality's (BCM) Performance Management System (PMS).

It is thus noted that the Activity Plan is stretched over a two year period, i.e. 2003/04 and 2004/05

The South African Excellence Model (SAEM) is used as a review framework for the basis to benchmark Buffalo City Municipality against other municipalities and provide mechanisms for customer surveys or community feedback. BCM has submitted a South African Excellence Foundation Award application which allowed for BCM to compete with other municipalities. BCM also enters the annual Vuna Awards.

In terms of the Process Plan, all other Employees, Councillors and Service Providers would be catered for during the 2004/05 financial year. We have since laid the foundation in terms of the development and implementation of the Institutional PMS. Cascading of the system to other levels as required by the legislation should now be done in terms of the timelines as indicated in the Process Plan. Should this be accomplished, this would allow for BCM to be fully compliant with its PMS framework as well as with the legislative requirements.

3.3 Development and implementation of key performance indicators

We would like to disagree with the Audit findings regarding "...the municipality has not set any KPI's which are specifically for the municipality's administrative units, employees (except section 57), municipal entities or service providers." BCM's PMS is focused on Institutional, Individuals, Councillors as well as Service Providers. However, in line with the provisions outlined in the Performance Management Process Plan, we have successfully developed and implemented the Institutional PMS as well for Individuals, more specifically, for the Section 57 employees and all other General Managers. In terms of the Process Plan, all other Employees, Councillors and Service Providers would be catered for during the 2004/05 Financial year.

The inclusion of Municipal Entities is in terms of the MFMA of 2003 and the MSA Amendment of 2003 which is only effective from 1 July 2004 and 1 August 2004, respectively.

Municipal administrative units are catered for as all Directors and General Managers have scorecards, which is linked to the Institutional Scorecard. (It should be noted that General Managers are heading up Administrative Units).

3.4 Setting targets for key performance indicators

Refer comments under 3.3

3.5 Actual service delivery process

The framework to track the performance of the Institutional Scorecard as well as Scorecards of Section 57 employees and all other General Managers have been integrated into an Integrated Performance Management IT System which allows for a framework to track performance. This system serves as a Monitoring as well as Measurement tool and is linked to Institutional Performance and the IDP.



Furthermore, In terms of the Process Plan, all other Employees, Councillors and Service Providers would be catered for during the 2004/05 Financial year.

3.6 Internal monitoring

Noted.

3.7 Internal control

Noted

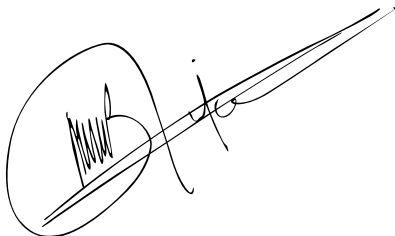
3.8 Performance measurement and reporting

Noted

3.9 Revision of strategies and objectives

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A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a long, sweeping horizontal stroke that extends to the right and then curves slightly upwards.

M B TSIKA
CITY MANAGER.