

2017/18 INTEGRATED DEVELOPMENT PLAN (IDP), BUDGET, MONITORING, EVALUATION AND REPORTING PROCESS PLAN

1. STRATEGIC THRUST

Well governed and managed city.

2. OBJECTIVE

To obtain approval for the 2017/18 Integrated Development Plan (IDP), Budget, Monitoring, Evaluation and Reporting Process Plan as required in terms of the Municipal Systems Act, 32 of 2000 (MSA) and the Municipal Finance Management Act, 56 of 2003 (MFMA).

3. BACKGROUND

In terms of legislation, municipalities are required to review their IDPs on an annual basis. The City approved its 2016/21 IDP on 26 May 2016 based Growth Development Strategy 2040 and community requests. In preparation for the IDP and monitoring and evaluation (M&E) processes of this current financial year, the City has developed an integrated process plan including the City's strategic planning, monitoring and reporting processes which includes, departmental Service Delivery and Budget Implementation Plan (SDBIP), Municipal Entities (ME) Business Plans, Institutional SDBIP, Community Based Planning, Budgeting, Monitoring, Reporting and other relevant processes.

4. LEGISLATIVE REQUIREMENTS

Municipal Systems Act, 32 of 2000

Section 28 (1) of the Municipal Systems Act, stipulates that a municipality must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

It further states that municipal councils must: *“within a prescribed period after the start of its elected term, adopt a single inclusive and strategic plan for the development of a municipality.”*

Section 40 of the Municipal Systems Act stipulates that: *‘A municipality must establish mechanisms to monitor and review its performance management system’*

Municipal Finance Management Act, 56 of 2003

The specific legislative provisions of the MFMA relating to the Budget, contained in Section 21, are that:

“21 (1) The mayor of a municipality must-

- (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;
- (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of –
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget-related policies;
- (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).”

The table below outline the legislative timelines with regards to the IDP, Budgeting, Monitoring and Reporting processes:

Legislative Action	Legislative Requirement	Period
Approval of the IDP and Budget Process Plan by Council	Table the IDP and Budget time schedule at least 10 months before the start of the financial year. This should outline key deadlines for the development of the IDP and annual budget of the municipality.	Quarter 1
Submission of proposed Municipal Entity (ME) budgets	ME proposed budgets must be submitted to the parent municipality at least 150 days before the start of the financial year. If necessary, a revised budget must be submitted to the parent municipality not later than 100 days before the start of the financial year.	Quarter 3
Tabling of the Medium Term Budget, IDP, Tariffs and the Institutional Service Delivery Budget Implementation Plan (SDBIP)	The Mayor of the municipality must table an annual budget at a Council meeting at least 90 days before the start of the financial year. This must include supporting documentation such as the IDP, Tariffs and the Institutional SDBIP (Section 17 of the MFMA).	Quarter 3
Approval of the Medium Term Budget, GDS, IDP, ME business plans and Tariffs	Council must approve the Medium Term Budget, GDS, IDP, ME business plans and Tariffs at least 30 days before the start of the financial year.	Quarter 4
Institutional SDBIP	The Mayor must approve the Institutional SDBIP 28 days after the approval of the Budget.	Quarter 4

5. ANNUAL REPORT PROCESS PLAN

Section 46 (1) of the Municipal Systems Act stipulates that: ‘A municipality must prepare for each financial year a performance report reflecting-

- (a) the performance of the municipality and of each external service provider during that financial year;

*(b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
(c) measures taken to improve performance.*

Section 46 (2) stipulates that: *'An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act. [S. 46 substituted by s. 6 of Act 44 of 2003.]*

In terms of section 121(1) of the MFMA, every municipality and municipal entity must prepare an Annual Report for each financial year. The purpose of the Annual Report is to provide a record of activities, report on performance against the budget and promote accountability to the local community for the decisions made throughout the year.

Chapter 12 of the MFMA contains a range of provisions relating to financial and performance reporting and auditing. With respect to the Annual Report, the process of preparation and adoption includes the tabling of annual reports and the formulation of oversight reports on annual reports.

In terms of section 133 of the MFMA, the Executive Mayor must submit the Annual Report within 7 months after the end of the financial year, which means that the 2016/17 report should be tabled before the 31 January 2017. Thereafter, Council is required to approve the Annual Report and the oversight report within 9 months after the end of the financial year, i.e. before the end of March 2017.

Process plan for tabling and approval of the 2016/17 Annual Report

The table below outlines the legislative timelines with regards to the Annual Report process:

6. 2017/18 IDP AND BUDGET PROCESS

The 2017/18 financial year will focus on the following in terms of the IDP and Budget process:

- a) Citywide planning premised on the City's Priority Implementation Plans (as contained in the IDP and Institutional SDBIP);
- b) An alignment of Departmental SDBIPs and ME business plans to the Priority Implementation Plans; and
- c) An approach that combines the envisaged IDP outreach process and Community Based Planning as an enabler of Developmental Service Delivery. The intended outcome is to strengthen public participation in the City's strategic planning processes.

The following phases are identified to assist in the IDP and Budget Process.

Phase 1: Quarter 1 to Quarter 2

Strategic Assessment and IDP feedback to communities

The City, on an annual basis, undertakes a strategic assessment during the months of August and October. The assessment considers past performance, policy, political and environmental changes. Further, comments by the MEC for Local Government on the City's IDP and comments by the Auditor-General are taken into account to plan for the next financial year.

Communities will receive feedback of issues raised during the April regional engagement sessions in all regions as part of the Community based planning process.

Performance Management, Monitoring and Evaluation

In terms of the Group Performance Management Policy and Framework, individual performance plans (performance agreements and scorecards) must be entered into between the City Manager and Managers directly accountable to the City Manager within 30 days after the commencement of the new financial year.

Key deliverables of this phase include:

- a) Approval of the 2017/18 IDP and Budget Process Plan;
- b) IDP Assessment Workshop;
- c) Regional Community Conversations;
- d) Extended Executive Management Team Lekgotla;
- e) Approval and signing of individual scorecards;
- f) Tabling of Annual report process; and
- g) Submission of final annual report.

Phase 2: Quarter 1 to Quarter 2

Strategic Planning Workshops

The strategic assessment in phase 1 guides the review of the 2017/18 IDP Priority Implementation Plans and the development of the draft departmental SDBIPs and municipal entities (ME) business plans.

Monitoring and Evaluation

Performance reviews take place through formal and informal sessions at periodic intervals during the performance cycle. These are aimed at assessing the level of performance against scorecards.

This phase runs parallel with phase 4 wherein final reviews of the previous financial year are finalised.

Key deliverables of this phase includes:

- a) Mayoral Lekgotla I;
- b) Mid-year 2017/18 IDP review;
- c) Review Institutional Service Delivery Budget and Implementation Plan
- d) Intergovernmental alignment through Provincial Sector Workshops;
- e) Draft departmental SDBIPs and ME business plans;
- f) Technical Budget Steering Committee Meeting;
- g) Assessment and consideration of individual ADBS 1st quarter performance reports; and

Phase 3: Quarter 3

Comments on the Draft IDP and Budget and Outreach

During this phase, the City finalises its draft GDS, IDP, Budget and related documents for tabling at Mayoral Committee and Council, for public comment. This includes:

- a) Revised draft Priority Implementation Plans, draft departmental SDBIPs and draft ME business plans will be presented to the Budget Steering Committee (BSC) in January 2017, to allow for political oversight and direction.
- b) In March 2017, the revised draft, GDS, IDP Review, Budget, Business Plans, departmental SDBIPs and tariffs will be tabled at Council for public and stakeholder comment and input.
- c) In April 2017, the Provincial government will share the MEC's comments with CoJ, based on the draft 2017/18 IDP Review and draft Medium Term Budget. These comments will be factored into the final 2017/18 IDP Review.
- d) The outcomes of this phase will be presented and discussed at Mayoral Budget Lekgotla II, scheduled for February 2017.

Key deliverables of this phase include:

- a) Tabling of Annual Report;
- b) Budget Panel Hearings (Budget Steering Committee);
- c) Mayoral Budget Lekgotla II;
- d) Tabling of the draft revised GDS, IDP, Budget, Tariffs, ME business plans and departmental SDBIPs at Sub-Mayoral committees, section 79 Portfolio Committees and Council for comment and for public comment;
- e) Participation in intergovernmental processes;
- f) Revised draft 2016/17 GDS and 2017/18 IDP Review;
- g) Submissions of individual ADBS 2nd quarter reports and evidence; and
- h) Mid-Year Assessments.

Phase 4: Quarter 4

This phase entails the approval of the 2016/17 GDS, IDP Review, the Budget, ME Business Plans, the Institutional Service Delivery Budget Implementation Plan (SDBIP) and Tariffs by Mayoral Committee and Council.

Monitoring and Evaluation

Phase 4 includes the auditing of the performance management system and outcomes of citywide and sector performance. Accordingly individual performance is evaluated and recommendations thereof moderated.

Key deliverables of this phase include:

- a) Public outreach and engagements;
- b) Approval of final 2017/18 IDP Review, the Budget, ME Business Plans, the Institutional Service Delivery Budget Implementation Plan (SDBIP) and Tariffs by Mayoral Committee and Council; and
- c) Assessment and consideration of individual ADBS 3rd quarter performance reports.

Performance Management of the City Manager and Managers directly accountable to the City Manager as per Section 57 of the Municipal Systems Act 32 of 2000

Performance Reviewing, Auditing, Moderation, Reporting and Managing the Outcomes of Performance: 2015/16 Financial Year

Activity	Legislative Compliance/Policy	Due Date
Submission of final review evidence	<ul style="list-style-type: none"> Municipal Systems Act 32, 2000; Municipal Planning and Performance Management Regulations, 2001; Municipal Finance Management Act, 56 of 2003 (MFMA) CoJ Policy; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 	Quarter 1
Quality Assurance process		Quarter 2
City Manager Briefing		
Preliminary final reviews with City Manager		
Tabling of final review results at GPAC		
Finalisation of recommended scores		
Approval of final results by Mayoral Committee and Council		Quarter 3
Processing of performance rewards		

Performance Execution

Activity	Legislative Compliance/Policy	Due Date
Submission of individual ADBS 1st quarter reports	<ul style="list-style-type: none"> Municipal Systems Act 32, 2000; Municipal Planning and Performance Management Regulations, 2001; Municipal Finance Management Act, 56 of 2003 (MFMA) CoJ Policy; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 	Quarter 1
1st Quarter Coaching Sessions		
Submission of individual ADBS 2nd quarter reports and evidence		
2nd Quarter (mid-year) Reviewing Sessions with City Manager		Quarter 3
Tabling of 2nd Quarter (Mid-year) performance to GPAC		
Submission of 3rd quarter ADBS reports		
3rd Quarter Coaching sessions Consideration of deviations		Quarter 3
Consideration of deviations by GPAC		

Performance Planning: 2017/18 Financial Year

Activity	Legislative Compliance/Policy	Due Date
Development and Finalisation of individual Scorecards	Municipal Systems Act 32, 2000; Municipal Planning and Performance Management Regulations, 2001; Municipal Finance Management Act, 56 of 2003 (MFMA) CoJ Policy; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Quarter 3
Tabling of individual scorecards to GPAC		
Approval of individual Scorecards by Mayoral Committee and Council		Quarter 4
Signing of Performance Agreements and individual Scorecards		
Submission of Performance Agreements and scorecards to the Executive Mayor, COGTA, National Treasury and Auditor General		
Posting of individual Scorecards onto the Website		

Assessment of Quarterly Reports on Progress Against Departmental and Institutional Service Delivery and Budget Implementation Plan

Section 40 of the Municipal Systems Act requires each municipality to establish mechanisms to monitor and review its performance management system. As part of that process (Section 41) the municipality must set appropriate standards for measuring performance including outcomes and impact with regard to the municipality's development priorities and objectives as set out in its integrated development plan.

Key deliverables of this phase include:

ACTIVITY	Action	Timeline	Deliverables
Receives Quarter 1 Departmental and ME's performance Report	Application of the GSPCR Assessment criteria to the Departmental and ME's performance Report Assessment of non-financial performance; Performance against priorities in the IDP and SDBIP Infrastructure Delivery against Infrastructure Plan of City	Quarter 2	First Quarter Cluster Assessment report & First Quarter Cluster Presentation's First Quarter EMT Presentation's First Quarter Cluster Assessment report &

ACTIVITY	Action	Timeline	Deliverables
			First Quarter Sub Mayoral Committee Presentation's First Quarter SDBIP Report & Presentation's
1st Quarter SDBIP reports	Consolidation of the 1st Quarter SDBIP		
Receives Midyear Departmental and ME's performance Report	Application of the GSPCR Assessment criteria to the Departmental and ME's performance Report Assessment of non-financial performance; Performance against priorities in the IDP and SDBIP Infrastructure Delivery against Infrastructure Plan of City	Quarter 3	Mid-Year Cluster Assessment Report Midyear Cluster Presentation's Midyear EMT Presentation's Midyear Cluster Assessment report & Midyear Sub Mayoral Committee Presentation's
Midyear Quarter SDBIP reports	Validation and Verification of Organisational Reported Quarter performance (site inspection)		Mid –Year SDBIP Report
	Consolidation of the Midyear Quarter SDBIP		
Receives Third Quarter Departmental and ME's performance Report	Application of the GSPCR Assessment criteria to the Departmental and ME's performance Report Assessment of non-financial performance; Performance against priorities in the IDP and SDBIP	Quarter 4	Third Quarter Cluster Assessment report & Third Quarter Cluster Presentation's Third Quarter EMT Presentation's

ACTIVITY	Action	Timeline	Deliverables
	Infrastructure Delivery against Infrastructure Plan of City		Third Quarter Cluster Assessment report
Third Quarter SDBIP reports	Validation and Verification of Organisational Reported Quarter performance(site inspections)		& Third Quarter Sub Mayoral Committee Presentation's
	Consolidation of the Third Quarter SDBIP		Third Quarter SDBIP Report & Presentation's
Receives Fourth Quarter Departmental and ME's performance Report	Application of the GSPCR Assessment criteria to the Departmental and ME's performance Report Assessment of non-financial performance; Performance against priorities in the IDP and SDBIP Infrastructure Delivery against Infrastructure Plan of City	Quarter 1 Financial year 2017/18	Fourth Quarter Cluster Assessment report & Fourth Quarter Cluster Presentation's
			Fourth Quarter EMT Presentation's
Fourth Quarter SDBIP reports	Validation and Verification of Organisational Reported Quarter performance(site inspection)		Fourth Quarter Cluster Assessment report & Fourth Quarter Sub Mayoral Committee Presentation's
	Consolidation of the Fourth Quarter SDBIP		Fourth Quarter SDBIP Report & Presentation's

Validation and Verification of Reported Organisational Performance As Per The Institutional Service Delivery and Budget Implementation Plan

To improve credibility, reliability and usefulness of reported organisational performance all reported performance must be verified and validated. The table below provides high level process to validate the organisational performance.

Quarter period ending	Process	Subsequent verification of reported performance
Quarter 1	All Key Performance Indicators and sub-targets per Cluster will be given an equal chance of being selected for testing.	1. 3 Site-visits throughout the financial year will be conducted. 2. One site visit entails the verification of the sampled programmes per cluster. 3. Verification will be conducted at least within a week after validation of the supporting evidence has been completed.
Quarter 2		
Quarter 3	Validation will be done as per the Group Strategy, Policy Coordination and Relations Standard Operating Procedure Methodology	
Quarter 4		

7. SUMMARY OF THE 2017/18 IDP, BUDGET AND MONITORING, EVALUATION AND REPORTING PROCESS PLAN

The table below provides the timeframes for the key milestones and process within the phases outlined above.

Key Milestones and Processes	Timeframes
Feedback to communities	Quarter 1 to quarter 4
IDP Assessment Workshop	Quarter 1
Consideration and incorporation of GAS, GPAC and EMT comments onto the Annual Report	Quarter 1
Submission of the Draft Annual Report (including financials) to Auditor General	Quarter 1
IGR Workshop	Quarter 1 to quarter 2
Mayoral Lekgotla I	Quarter 2
Priority Implementation Plan Workshops, Budgeting and Business Planning Process	Quarter 2
Mid-year Review	Quarter 3
Budget Steering Committee	Quarter 3
Budget Lekgotla II	Quarter 3
Distribution of the tabled Integrated Annual Report for public comment	Quarter 3
Finalisation of Group Integrated Report	Quarter 3

Key Milestones and Processes	Timeframes
Tabling of the City's draft 2017/18 IDP Review, Budget, ME Business Plans and the Service Delivery, Budget Implementation Plan (SDBIP) and Tariffs for comment	Quarter 3
IDP and Budget Outreach process	Quarter
Approval of the City's 2017/18 IDP Review, the Medium term Budget and Tariffs	Quarter 4
Approval of ME Business Plans and the Institutional Service Delivery, Budget Implementation Plan (SDBIP)	Quarter 4

8. POLICY IMPLICATIONS

None

9. LEGAL IMPLICATIONS

The process outlined above is compliant with the Municipal Systems Act (as amended) and the Municipal Finance Management Act, as well its regulations.

10. COMMUNICATIONS IMPLICATIONS

Communication with stakeholders, internal and external, forms an integral part of the IDP, Budget and Monitoring and Evaluation Process.

11. CONSULTATION WITH OTHER DEPARTMENTS

The process plan has been prepared in consultation with all relevant departments involved in the City's budgeting and strategic planning process.

12. RECOMMENDATIONS

IT IS RECOMMENDED

- 1 That the 2017/18 GDS, Integrated Development Plan (IDP), Budget, Monitoring, Evaluation and Reporting Process Plan as set out in the body of the report, in compliance with the provisions of the Municipal Systems Act and the Municipal Finance Management Act be approved.**

- 2 That a copy of the approved 2017/18 Integrated Development Plan (IDP) Review, Budget, Monitoring, Evaluation and Reporting Process Plan be submitted to the Gauteng MEC of CoGTA as well as to National and Provincial Treasuries.**

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