

SOCIAL ACCOUNTABILITY MONITORING

This training manual is a summary of an abbreviated, customised version of a Rhodes University accredited course, the Fundamentals of Social Accountability Monitoring (FSAM) offered by the Public Service Accountability Monitor (PSAM). Additionally, content has been drawn and adapted from a training guide developed in 2014 by the MobiSAM project for journalists and civic actors. The A4A workshop is targeted at local government activists, residents and members of civic action teams. The workshop sessions were initially delivered under the auspices of the Action for Accountability project.

What is social accountability? The PSAM defines social accountability as the right to obtain justifications and explanations for the way in which public resources are managed (whether by public officials or private service providers) and to obtain justifications for the way in which these resources serve to progressively realise human rights (people's socio-economic rights). This definition requires that officials take corrective action in response to instances of the ineffective use or abuse of resources in order to prevent their recurrence.

ABOUT THE ACTION FOR ACCOUNTABILITY PROJECT

The Action for Accountability (A4A) Project takes a rights-based approach to respond to the dynamics of accountability in South Africa. It seeks to promote greater transparency and inclusive governance processes focused on citizen action as a means of bolstering accountability and strengthening relationships between citizens, government, and the private sector so that human rights are prioritised. This project centres its action on enhancing public participation and transparency in the public and private sector through citizen-led action to enhance public service accountability and good governance in South Africa.

The A4A program is implemented across four sites: Finetown, Lenasia, and Mondeor in the City of Johannesburg, Gauteng and Makhanda in Makana Local Municipality, Eastern Cape. Finetown is an underdeveloped township in the South of Gauteng. Most public roads are still untarred, with residents being heavily dependent on neighbouring Ennerdale for services like healthcare and police stations. Lenasia ('Lenz') is a suburb located in the south of Soweto with a diverse population initially created to house people of Indians descent during apartheid. Crime has plagued the community which is also prone to flooding due to the City of Johannesburg's poor drainage systems. Mondeor is a suburb with

Key Terms and Acronyms

AFS	Annual Financial Statement
AGSA	Auditor General of South Africa
CivActs	Civic Action Teams
COCC	Code of Conduct for Councillors
FSAM	Fundamentals of Social Accountability Monitoring
IDP	Integrated Development Plan
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Account Committee
MSA	Municipal Systems Act 32 of 2000
MSTA	Municipal Structures Act 117 of 1998
NGOs	Non-Government Organisations
NPOs	Non-Profit Organisations
PP	Public Protector
PPPFA	Preferential Procurement Policy Framework Act
PR	Proportional Representation
PRM	Public Resource Management
PSAM	Public Service Accountability Monitor
SAHRC	South African Human Right Commission
SAM	Social Accountability Monitoring
SDBIP	Service Delivery Budget & Implementation Plan

a diverse population experiencing water scarcity caused by power outages and dismal maintenance water infrastructure. Makhanda, formerly known as Grahamstown, is a town in the Eastern Cape that hosts Rhodes University and the internationally renowned National Arts Festival. The community has experienced many service delivery issues including contaminated drinking water, unequal access to sanitation services, pollution and potholed public roads.

The overarching objective of the A4A project is “strengthening citizen action to enhance accountability and engagement with local governance challenges”. The expected results of the project are that community reformers (also referred to as Civacts) acquire and apply knowledge on using local governance systems and accountability mechanisms. Secondly, that spaces of engagement are used by reformers and duty bearers to identify and deliberate solutions to service level challenges; and lastly, that reformers showcase practices that exemplify or demonstrate integrity, accountable leadership and public service excellence.

Capacity building of the Civic Action Teams is an integral part of the project. In the month of November 2022, the Civic Action Teams engaged in a weeklong training on the adapted version of the Fundamentals of [Social Accountability Monitoring \(FSAM\)](#) course.

This training manual guides the reader through the 5-day workshop content and can be used as a tool to train more reformers in the future. The sections within outline the objectives of the training, contextual understanding of the participants, and includes an adapted version of the PSAM’s Public Resource Management Framework. The original workshop was facilitated by the PSAM staff members.

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BACKGROUND AND INTRODUCTION

The Public Service Accountability Monitor's desired impact is to contribute to addressing societal problems originating from systemic public resource management (PRM) failures through engaging in country processes, supporting learning amongst accountability practitioners, and sharing learning more widely. The PSAM is the implementing partner of the Action for Accountability Project in the Makhanda context in the Eastern Cape.

The CivActs training workshop on social accountability monitoring (SAM) is a project output. The training is necessary to provide participants with the tools for monitoring, oversight, and advocacy approaches. The PSAM's Fundamentals of Social Accountability Monitoring Course was shortened and adapted to develop a SAM training providing community level participants with the confidence and capacity to meaningfully engage with municipal duty bearers and processes. This training contributes to building the knowledge and requisite skills for civil society reformers to understand and apply government systems and accountability mechanisms. Building a broader base of reformers who possess the skills and proficiency to identify and participate in 'invited spaces' aligned with municipal accountability cycles is key.

The A4A project supports the idea that citizen participation (and oversight) in public decision making can deliver better policies and services, strengthen democracy, and build trust. These alternatives call for an innovative state that is willing to engage in these creative spaces. However, in many instances, the efforts of citizens to engage creatively with the state are met with a lack of capacity from the state. Any increased support of citizens' efforts to organise outside the state's legislated structures must be accompanied by capacitating the state's ability to engage effectively in these alternative spaces, especially at the level of officials and elected representatives.

The design of the A4A project is based on the notion that self-initiated and self-organising community and citizen action groups around priority grassroots issues offer entry points to enhance citizen capacity development and produce sustainable solutions. These solutions are informed and implemented by those who are most affected by the issues as in any classic grassroots movement.





This encompasses the use of invited spaces i.e. existing platforms for engagement and holding

government to account, into which civic action can be inserted, to shift norms and behaviours, equip reformers for collective action and influence policies, processes and practices around critical accountability issues. The action also advances the creation of invented spaces i.e. new and co-created platforms for facilitating engagement and holding government to account.



Objectives of the Training

In addition to testing the A4A approach to bolstering civic actors' capacities and collective impact on governance and accountability at the local government level, this training has the following objectives:

-  To introduce participants to the rights-based approach to social accountability for improved governance and service delivery
-  To encourage participants to use a holistic lens to interrogate public resource management as a way of identifying and understanding the systematic problems in government
-  To outline how government is structured and to explore the roles of different spheres and structures with a focus on local government
-  To introduce social accountability as an avenue to advocate for the change participants want to see


It is also hoped that participants may be better equipped to identify opportunities to co-create invented spaces to promote social accountability and governance.


Contextual understanding of the participants


It is important to underscore that the PSAM's approach is such that all participants bring valuable insights, expertise and experience 'into the room' and as such opportunities for group discussions and reflection are vital. Facilitators must therefore endeavour to familiarise themselves with participants prior to the workshop in order to leverage diverse voices and inputs. This, in the more comprehensive FSAM course is achieved through the dissemination of both a pre-course assessment as well through intentional learning about prospective participants their organisations. For the brief sessions, a similar pre-course assessment can be devised in addition to a brief introductory meeting in which participants' expectations and existing proficiency can be explored. One approach to assessment is detailed in the next session. The participants of this training are active citizens. They have been involved in community development initiatives, in activism to bring about change in their communities. They are homeowners, ratepayers, self-employed individuals, unemployed adults, unemployed youth, activists, members of political parties including ward and public representative councillors.


Overview of the training


The training is intended to be delivered over five days with time built in for deliberation and engagement between participants.

 Day one broadly introduces the rights-based approach to social accountability for improved governance and service delivery.

 Day two focusses on strategic planning and resource allocation at local government level.

 Day three explores expenditure and performance management at local government level.

 Day four looks at oversight in local governance.

 Day five focusses on advocacy strategies.

Outlined below is a suggested structure for delivering the training. Facilitators may also consider building in a 'day zero' or pre-training half day. The sessions held in Johannesburg accommodated a total of 46 participants with the language of instruction being English. Whenever necessary and possible, however, facilitators were intentional about translating more complex terms or concepts. The majority of participants were women and young people who are generally prioritised as part of the project.

There was no specific criteria that was given on the recruitment of participants in the overall A4A project. The Makhanda determined that in order to qualify for CivActs team membership, the prospective participants needed to be active residents in their community development initiatives, they needed to show interest in service delivery issues, participate in government affairs, and be interested to understand and be involved in governance and accountability issues. There were additional meetings held to determine who qualifies to be a CivActs team member. This was done through meetings with residents that showed interest in this project. The Makhanda team created exercises to test team members' knowledge of service delivery and accountability issues. The residents were grouped and expected to present on these topics while the A4A Makhanda team was observing and selecting individuals in the groups and during the presentation. Afterwards, the Makhanda team had a separate meeting to formally appoint the CivActs members while the rest were regarded as the CivActs network and had separate Whatsapp groups as a platform for sharing and discussing local issues relevant to this project. The CivActs network is also a space for recruiting new CivActs members.

In adopting the rights-based approach, participants of the A4A project are considered 'rights-holders' with legal entitlements, and government institutions are not mere service providers but 'duty-bearers,' who are under an obligation to deliver on people's human rights. Actions taken under this project, therefore, incorporate the five working principles of the Rights Based Approach – (i) applying all rights; (ii) participation and access to decision-making; (iii) non-discrimination and equal access; (iv) accountability and access to rule of law; and (v) transparency and access to information, in each step of the project cycle.

The sections that follow are intended to outline the brief theoretical background that has informed each section as well as the approach that was followed by the facilitators.

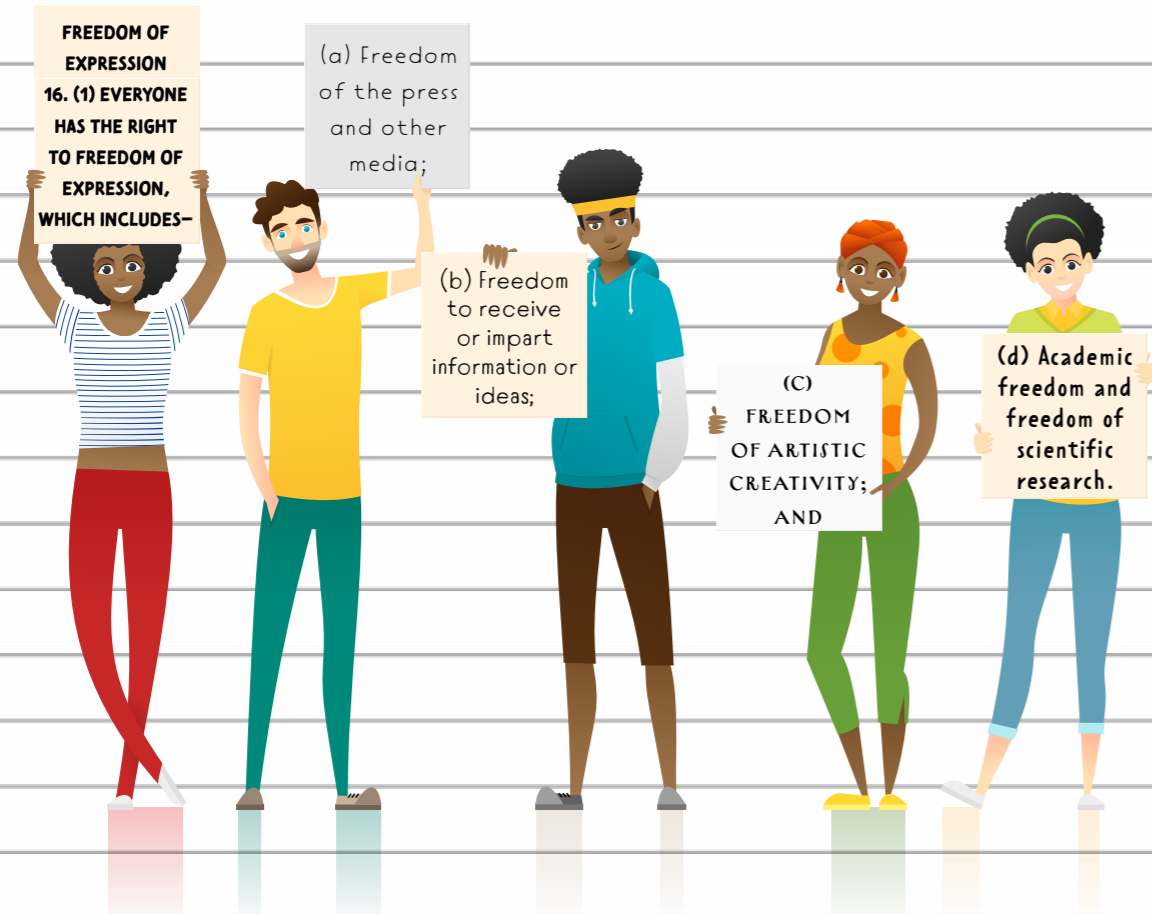


Table: SUGGESTED TRAINING STRUCTURE	
DAY 1: SECTION A	PROPOSED DURATION
Session 1 Opening Session (include a brief light hearted ice breaker and any 'house rules')	1 hour
Session 2 Identification of pressing service delivery issues (group activity)	1 hour
Session 3 Introduction to the Rights-based Approach to Social Accountability	2 hours
TEA BREAK	1 hour
Constitutional provisions public participation	1 hour
Group Activity: Functions of the different spheres of government	1 hour
LUNCH	1 hour
The relationship between the Community and the Municipality (Council and Administration)	1 hour
COMFORT BREAK	1 hour
Session 4: Introducing the Public Resource Management Framework	1 hour
END OF DAY 1	

DAY 2: THEME: STRATEGIC PLANNING AND BUDGETING	PROPOSED DURATION
Session 1: Recap for Day 1	1 hour
Session 2: Strategic Planning: Socio-Economic Needs Analysis (including group activity)	1 hour
TEA BREAK	1 hour
Integrated Development Planning (including group activity)	2 hours
Session 2: Municipal Budgeting- Rights-based approach to budgeting	1 hour
Municipal Budgeting	1 hour
LUNCH	2 hours
Service Delivery, Budget & Implementation Plan (SDBIP)	1 hour
Session 3: Social Accountability in Planning and Budgeting	1 hour
Activities: Planning and Budgeting for Service Delivery	1 hour
END OF DAY 2	

DAY 3: THEME: EXPENDITURE AND PERFORMANCE MANAGEMENT	PROPOSED DURATION
Session 1: Recap for Day 2	1 hour
Introduction to Expenditure Management	1 hour
Expenditure Tracking	1 hour
TEA BREAK	1 hour
A rights-based approach to expenditure management	1 hour
Reflecting on Internal Controls	1 hour
Activity: The importance of Audits	2 hours
Activity: Relationship between the IDP, Budget & SDBIP	1 hour
LUNCH	1 hour
Session 3 Performance Management- Introduction to Performance Management	1 hour
A rights-based approach to performance management	1 hour
Activity: Accountability mechanisms on performance	1 hour
Managing Processes	1 hour
Activity: Managing Results	1 hour
Session 4: Social Accountability in Expenditure and Performance Management	1 hour
END OF DAY 3	

Table: SUGGESTED TRAINING STRUCTURE (continued)	
DAY 4: THEME: OVERSIGHT IN MUNICIPAL GOVERNANCE	PROPOSED DURATION
Session 1: Recap on Day 3	
Session 2: Introduction to municipal oversight	
Relationship between oversight and accountability	
Municipal Accountability Cycle	
TEA BREAK	
Forms of Accountability in Governance	
LUNCH	
Session 3: Social Accountability in oversight committees	
Auditor General's Oversight Role (including group activity)	
Activity: Citizen participation in Council, Portfolio Committees and Municipal Public Accounts Committee	
END OF DAY 4	

DAY 5: THEME: ADVOCACY AT LOCAL GOVERNMENT	PROPOSED DURATION
Recap on DAY 1, 2, 3 and 4	
Session 1: Advocacy in civil society	
Advocacy for Social Accountability (including group activity)	
TEA BREAK	
Activity: Power relations in Advocacy	
Session 2: Advocacy Strategies (including group activity)	
LUNCH	
Evaluation of the training	
END OF DAY 5	

SECTION ONE: INTRODUCTION TO RIGHTS-BASED APPROACH TO SOCIAL ACCOUNTABILITY MONITORING

The overall objective of session one is to introduce the rights-based approach to social accountability for improved governance and service delivery. This is done through:

- Introductions between participants and facilitators.
- Understanding socio-economic issues that participants want to address.
- Introduce the bill of rights enshrined in the constitution to guide the discussion on rights and service delivery.
- Introducing human rights as an entitlement that needs to be accessed and experienced to address the socio-economic issues participants raise.
- Linking human rights, service delivery and accountability.
- Outlining constitutional provisions and platforms for public participation.
- Introducing the public resource management thinking or framework.

INTRODUCTION BETWEEN PARTICIPANTS AND FACILITATORS

This session allows for participants and facilitators to introduce themselves and explain why they decided to participate in this training and share their expectations of this training. This introduction session allows everyone in the room to learn about one another, to know what each is doing in the community, to know about the skills they possess, and community and professional experience.

THE EXERCISE: SERVICE DELIVERY ISSUES THAT NEED TO BE ADDRESSED

Approach: This session becomes a group discussion that allows participants to identify socio-economic issues they want to contribute to addressing. Because the participants are active residents in the communities, there is a use of a phrase they are familiar with. The phrase *service delivery* issue is adopted for use because the participants relate more to *service delivery issues*.

Given the wide range of developmental and economic factors under the umbrella of 'socio-economic' issues and limited time – the session focussed specifically on service delivery matters. This also creates more relatable content from which to create a foundation for the SAM discussions. Secondly – given the local government/municipal focus of reformers' interventions; service delivery concerns

tend to be an immediate point of interest as opposed to broader socio-economic issues.

decision-making and performance enables civic actors to participate in local government processes and to hold public service providers to account.

In this discussion, participants are asked to share their understanding of human rights. This is done so that the participants' understanding of human rights can be deepened. Post this discussion, the facilitators demonstrate the connection between service delivery issues and human rights. This is done to ensure that participants understand the basic services that government institutions are obligated to provide, and through this provision - the realisation of people's socio-economic rights.

The PSAM situates SAM within a rights-based approach. This approach builds on the United Nations human rights framework, which defines a human right as a 'universal legal guarantee protecting individuals and groups against actions and omissions that interfere with fundamental freedoms, entitlements and human dignity'.

For instance, residents not receiving water for days without alternative plans by a government institution to provide water is a violation of the right to access water. The facilitators target specific rights in the bill of rights that are related to service delivery such as section 24[4], 26[5], 27[6], 29[7] and 32[8]. The facilitators take the participants through each of these mentioned rights and make them identify the basic services that are protected by each of these rights. This is discussion based and allows participants to reflect on what is being introduced to them.


Importantly, the socio-economic, political and civic rights guaranteed to all human beings are codified in international law and set out in multiple international conventions making up the UN's human rights framework. This framework enables civic actors to monitor the compliance of signatory states with the realisation of people's human rights to which they are committed by virtue of signing and ratifying the international conventions.

THE RIGHT TO SOCIAL ACCOUNTABILITY

The South African constitution mandates government to progressively realise within available resources, the rights of all South Africans to basic services such as housing, healthcare and education. Public administration must also be governed by the democratic values and principles enshrined in the Constitution: the efficient, economic and effective use of resources must be promoted; people's needs must be responded to; the public must be encouraged to participate in policy-making; public administration must be accountable; and, transparency must be fostered by providing the public with timely, accessible and accurate information.

On the one hand, the UN human rights framework commits states to the progressive realisation of socio economic, civic and political rights and on the other, the right to social accountability commits them to justify and explain the steps they have taken to achieve this. By adding the right to social accountability to this UN framework, the PSAM argues that civic actors are able to become more actively involved in the governance and accountability processes necessary to realise human rights.

The PSAM refers to social accountability as a right which places further obligation of justification and explanation on those responsible for the management of public resources. And as these are public resources, collected mostly through taxation, civic actors have the right to obtain justifications and explanations for the way in which they are allocated and used. In addition, both public officials and private service providers who manage public resources must account for their decision-making and performance and where public resources have not been used effectively and efficiently to realise people's most pressing needs, they must take corrective action. This obligation to justify and explain

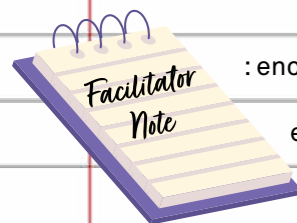
 : Ask participants to name any of UN Conventions that they can think of such as the Convention on the Rights of the Child and the International Covenant on Economic, Social and Cultural Rights (ICESCR). Emphasize and discuss freedom of association, access to information, freedom of expression and political rights as key rights that participants need to exercise for active citizenry. Additionally, facilitators should emphasise that in order to experience socio-economic rights, civil and political rights must also be exercised. For instance, public participation is an example of exercising civil and political rights. Participants are also introduced to human rights as entitlements that need to be experienced to address the socio-economic issues participants raise. The facilitators unpack entitlements and rights. Experiencing a right in this context requires participants to take action.

There is an emphasis on participants taking action so that their service delivery issues can be addressed. Taking action is also referred to as participation. The following discussion demonstrates how to participate within your rights.

Constitutional and legislative provisions for public participation and the Batho Pele Principles

There are constitutional and legislative provisions that guide public participation in South Africa.

Section 195(1) outlines values and principles governing public administration.



: encourage everyone to refer to their copies of the constitution and take the time to

emphasise that “people’s need must be responded to, and the public must be

encouraged to participate in policy-making (f) public administration must be

accountable (g) transparency must be fostered by providing the public with timely,

accessible and accurate information.” Additionally - introduce section 152 (1) (e) which states that

“the objects of local government are to encourage the involvement of communities and community

organisations in matters of local government. **Additionally, the Municipal Systems Act, specifically**

chapter 2 (focusing on the roles and responsibilities of communities) and chapter 4 (focusing on

community participation). Chapter 2 and 4 of the Municipal Systems Act guides how municipalities

understand the roles and responsibilities of communities in local governance and how the community

is supposed to participate in municipal affairs. These constitutional and legislative provisions lay the

foundation for public participation in government including local government.



:allow participants to reflect on these legislations to understand whether participants

started participating as guided by these legislations. If not, do they find these

legislations as encouraging for them to participate?

The Batho Pele (i.e. People First) Principles are developed to give good customer service to the users of government services and apply to all public servants in all spheres of government. These principles are follows:



Figure 1: Batho Pele Principles, Department of Public Service and Administration



: provide an explanation of each principle (access the descriptions via the DPSA

website). Then provide the participants an opportunity to reflect on these

principles specifically on the extent to which public servants adhere to these

principles in the delivery of public services. If not, participants are welcome to

suggest how service delivery should be delivered aligned to these principles.

Functions of different spheres of government

In South Africa there are three spheres of government that have legislative and executive powers, allowing them to pass laws and implement programmes. They are independent in their spheres but work collaboratively:

At the national government, the executive powers rest with the president and the legislative powers with the national assembly. Their overall function is to develop policies and regulate and supervise the provincial and local spheres of government.

Within the provincial government the executive power lies with the premier of the province and the legislative powers with the provincial legislature. Its core function is the provision of social services and support to the local government sphere.








At local government, the executive mayor holds the executive powers while the municipal council has legislative powers. The primary responsibility of municipalities within the local government spheres is to provide basic services, make and enforce by-laws, facilitate local development and encourage public participation in its affairs.







Sections 152 and 153 of the Constitution state that local government must: provide a democratic, accountable and participatory government for local communities; prioritise the basic needs of the community and provide the services assigned to it in the Constitution (Schedule 4 and 5); and promote social and economic development, as well as a safe and healthy environment.

The municipality is made up of the council and an administration. The council is made up of councillors in the form of ward and proportional representative (PR) councillors. All municipal councillors are accountable to the community they serve. The community members vote for political parties and independent candidates, who are elected to become municipal councillors and serve in the municipal council. The administration is made up of officials that are meant to plan and oversee the delivery of services. Overall, the community must be at the centre of it all. The administration does the implementation to ensure public services are delivered to the community. The council oversees the work of the administration. Lastly, the community has to hold the council accountable for the delivery of public services.

There are different public participation platforms that the community is legislatively expected to use, namely ward meetings, ward committee meetings, council meetings, portfolio committees and municipal public accounts committee meetings. These include invited and invented spaces as well legal or illegal actions that may include approaches spanning the full spectrum between collaborative/co-creation to adversarial:

-  Making formal/written submissions (petitions, letters, etc)
-  Voting in municipal elections
-  Becoming a Councillor
-  Becoming a member of a Ward Committee
-  Attending Ward Committee meetings



-  Participating in an organised protest
-  Working with municipal officials to support them in their duties
-  Monitoring municipal performance
-  Influencing policies



Since the challenges faced by municipalities are often systemic, complex and political, it can be difficult for civic actors to engage effectively with their local government. One way to begin monitoring and holding local government to account is to focus on individual service delivery projects for which the municipality is responsible. In this way, SAM actors are also better placed to interrogate and understand the systemic issues which derail service delivery at the municipal level.



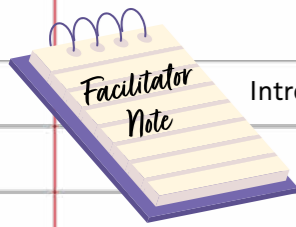
Through their votes, the community gives a mandate or responsibility to political parties to deliver public services to the community within the municipal jurisdiction. Politicians are elected to oversee the delivery of the political mandate carried out by municipal officials. The Council is involved in decisions that include the employment of staff in the Municipal administration to deliver these services (as stipulated within Schedule 4-part B of the SA Constitution). Therefore, the community has a right to require the municipality to account for decisions they are taking or not taking to actualize service delivery. The community further has a right to sanction the municipality (i.e. council and administration), if the municipality fails to inform and/or explain/justify decisions with regard to the mandate of delivering services to realize people's socio-economic rights.



There are duty-bearers that are responsible for oversight and accountability. The political office bearers such as the Executive Mayor, Speaker, and Councillors are responsible for oversight. The City or Municipal Managers, Executive Director or Director are duty bearers that are responsible to account for their directorates. For instance, Section 56(2) of the Municipal Structures Act obliges the executive mayor to make recommendations to the municipal council concerning strategies, programmes and services. Additionally, all councillors should be guided by the code of conduct and be accountable to the people who elected them. The councillors' code of conduct provides a framework that governs their performance. The speaker is then responsible for ensuring that members of the municipal council and committees of the municipal council perform their duties in alignment with the



Code of Conduct of Councillors.



Introduce different spheres of government to participants, namely national, provincial, and local governments. The functions and the relationship between the different spheres are explained. This is done to ensure that participants how the different spheres of government work together to deliver public services in a particular community.

After the spheres of government, the facilitators also introduce co-operative governance between national government, provincial government, district municipality and local municipalities. This is done to ensure that participants understand how governance takes place at national, provincial, district and local municipalities. Participants are given an opportunity to show their understanding of governance at these different levels to deliver public services. This is done in a group discussion between participants and facilitators. Facilitators wrap up the discussion and ensure that the participants' understanding of cooperative governance is deepened.

Establishment of the structure of the Municipality

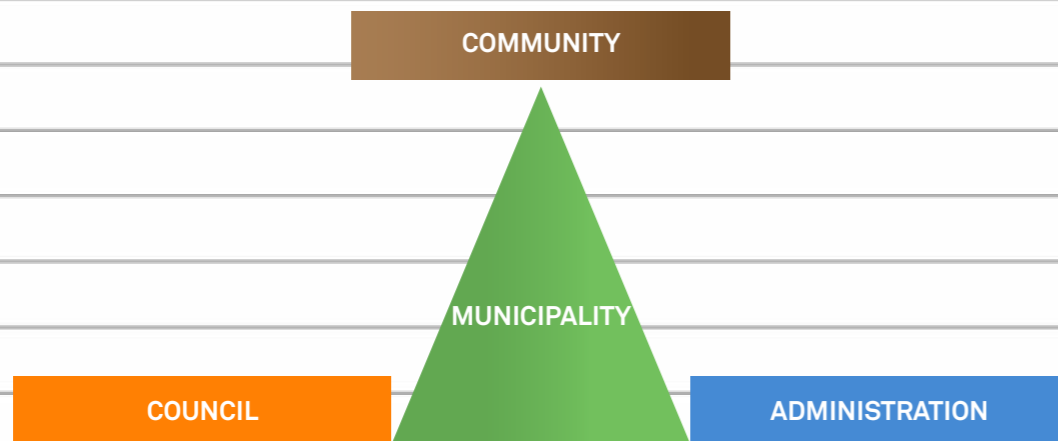


Figure 2: Establishment of the structure of the Municipality.

The facilitators introduce the participants to the structure of the Municipality. The facilitators use the above diagram to show that the municipality serves the community. The facilitators emphasize the importance of the participants making use of these platforms to contribute to how the public services must be delivered, to track progress in the delivery of public services and hold the duty bearers accountable for service delivery.

Considering the above discussion about municipal platforms being useful to hold the municipal council and administration accountable, the facilitators introduce the concept of accountability to participants. They explain what accountability means in our context. In this explanation of

accountability, the community is at the centre of it all. After the facilitators provided an explanation of what accountability is. They introduce the public resource management framework which participants expected to use as a lens of understanding how government institutions operate to deliver public services.

Introduction to the Public Resource Management framework.

The main premise of the PSAM conceptual approach is that there are five basic processes through which states manage public resources to deliver services that realise the socio-economic rights of citizens, namely:

1. Strategic Planning and Resource Allocation
2. Expenditure Management
3. Performance Management
4. Public Integrity Management
5. Oversight

These five processes also make up the social accountability system through which the state is accountable to its citizens on an ongoing basis in between elections. An illustration of this system can be seen in the diagram below:

Figure 3: The State as a Social Accountability System



Public Resource Management within the State – A system of five inter-related processes

Several public resource management processes are required if available public goods and resources within a society are to become translated into institutional arrangements and public services which effectively address people's basic needs. Irrespective of the other institutional features of the state, in order to deliver responsive public services, five key public resource management processes need to be in place. These include:

- ▶ A process for planning and resource allocation as per identified and prioritised needs;
- ▶ A process for effective expenditure management;
- ▶ A process for effective performance management;
- ▶ A process for effective public integrity management, and;
- ▶ A process for effective oversight of duty-bearers and their accountability to rights-holders.

The five key public resource management processes are discussed below.

1. PLANNING AND RESOURCE ALLOCATION

This process starts with the executive major, municipal council, city/municipal manager and senior managers responsible for public service delivery agencies drawing up detailed strategic plans. The plan for the municipality acts as a roadmap for line managers and informs all staff of the activities to be undertaken to deliver required public services, their timeframes, and spending and performance targets. The first step in drawing up an effective strategic plan requires managers to undertake an up-to-date analysis of the needs of those requiring public services (relative to an ideal concept of their human rights and capabilities). It also requires a detailed situation analysis of the challenges and resource constraints facing individual agencies.

The needs analysis and situational analysis should identify, amongst others, the most pressing socio-economic needs to be addressed and the internal resource and capacity constraints affecting the agency's ability to address these needs. It should identify a set of clear activities required to address current needs and group these into clearly defined programmes. Once the activities making up each programme have been identified and prioritised relative to pressing social and economic needs, these

can then be costed. An authorised set of financial resources (a budget), human resources (staff), and infrastructural requirements can then be allocated to each programme via some form of legislature or community oversight mechanism and a set of measurable performance indicators identified to measure the achievement of programme outputs.

2. EXPENDITURE MANAGEMENT

Once a budget has been allocated to a department to implement the outputs and activities listed in its strategic plan, key duty-bearers (including the executive arm of government) need to track the spending of funds against the agency's approved budget. For this purpose, line managers need to submit monthly spending reports to enable senior managers, including internal auditors, to identify risks in the effective management of funds and delivery of services. Heads of agencies should provide brief monthly and more detailed quarterly reports on spending to their executive authorities and to the National Treasury/relevant provincial treasury. Executive authorities should stay updated on any under- or over-spending of funds and on any financial control weaknesses or other risks likely to affect the agency's delivery targets.

3. PERFORMANCE MANAGEMENT

Once a budget has been allocated to a department to implement the outputs and activities listed in its strategic plan, the City/Municipal Manager and senior managers within the institution must report on their performance in implementing strategic plans and must explain and justify failed or ineffective performance and corrective steps taken. Performance agreements must be signed by all staff (based on planned outputs) and these should be reviewed throughout the financial year. Among others, effective performance management requires several sub-systems within service delivery agencies. These include: an effective human resource management system; reliable financial and performance reporting mechanisms; effective monitoring and evaluation processes (including regular mechanisms for monitoring service delivery); an effective internal control environment; and an effective risk management and internal audit function.

4. PUBLIC INTEGRITY MANAGEMENT

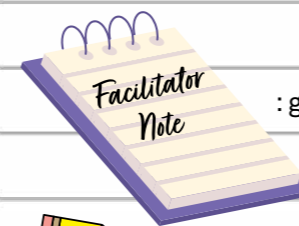
The executive mayor, city/municipal manager and senior managers must ensure that public integrity management mechanisms are in place and are maintained within all agencies to both prevent and correct instances of the ineffective use and abuse of public resources (including cases of misconduct, inefficiency, maladministration, corruption, and conflicts of interest). These include corrective mechanisms within departments such as human resource management directorates, disciplinary units, and disciplinary records, and preventive mechanisms designed to limit the scope for conflicts of interest and corruption, including registers for the declaration of private interests by senior managers, members of the legislature and members of the executive.

5. OVERSIGHT

A rigorous independent audit should be conducted into each institution's financial and performance management by the AGSA and MPACs. Municipal Council and municipal oversight committees such as portfolio committees, MPAC, and audit committee should scrutinise the institution's annual report along with audit findings, including any emphasis of matter and any recommendations for corrective action. **These committees should then make recommendations to the head of the institution to improve financial or performance management and enhance service delivery. These committees should monitor the implementation of their recommendations and corrective steps taken in response to the AGSA audit institution findings.**

The CivActs training on social accountability monitoring focused on only four of the five processes, namely planning and resource allocation, expenditure management, performance management and oversight. Prior to delivering the four processes of this training, the foundation is laid with an introduction of social accountability from a rights-based approach, because the fundamentals of social accountability monitoring are grounded on the rights-based approach.

SECTION TWO: STRATEGIC PLANNING AND RESOURCE ALLOCATION



: go through the sections of the Municipality's Integrated Development Plan that

speaks to the following:



Does the IDP list the municipality's challenges?



Does the IDP list the people's most pressing needs?



Does the Mayor outline the Municipal priorities in the plan?

NB: The facilitator needs to emphasise why it is important for the municipality to outline their service delivery challenges and how these challenges will be addressed.

Go through IDP and budget and pick up on links and discrepancies. Answer the following questions beforehand:



Do allocated figures in the strategic plan and in the budget align? NB: Important to explain what we mean by pressing needs?



Does the Mayor outline the Municipal priorities in the plan?

Note to flag the differences between governance and service delivery priorities.

The municipality will prioritise reviewing of the job descriptions and job evaluation. A transparent process to fill the posts will then be embarked upon by the Management. The idea is to fill the posts with a competent, skilled and professional workforce that will serve with honesty and commitment.

NB: There are governance and service delivery priorities, and both are important. Do the service delivery priorities match the needs of the people?

The overall objective of Section Two is to introduce strategic planning and budgeting as key components that lead to the delivery of basic services. This is done through:



Explaining what strategic planning and budgeting involves.



Outlining how residents can read strategic planning and budget documents.

➤ Providing justifications for why citizens and civil society organisations need to monitor the strategic planning process from a rights-based approach.

➤ Identifying key role players.

➤ Identifying several key questions to ask in evaluating Strategic Planning.

➤ Identifying key questions to ask to understand government budgeting.

➤ Describing key events in the municipal budget calendar (so that we can participate and intervene at the right time)

➤ Defining resource allocation in the Social Accountability System (so that we can better monitor how decisions are being made).

➤ Linking resource allocation to key legislation (so we can understand/ what the law and Constitution provides for).

➤ Reading a municipal budget (so that we can hold duty bearers accountable).

It is important to note that the purpose of an effective strategic planning and budgeting process is to ensure that three important goals are achieved. These goals are that the municipality:

➤ makes equitable and informed choices with regards to limited public resources.

➤ show how policies and objectives over a medium-term perspective will be resourced and achieved.

➤ sets strict and credible boundaries for the collection and spending of public money.

Understanding the Integrated Development Plan (IDP)

The publication of Integrated Development Plans by municipalities was made a legal requirement in 1996. The Municipal Systems Act (2000) requires municipalities to plan to plan as follows as aligned with sections 152, 153 and Chapter 2 of the Constitution:

➤ achieve the objects of local government

➤ give effect to its developmental duties; and,

➤ Realise human rights, including specifically environmental rights, property rights and the right to housing, healthcare, food, water and social security and education

The aim is for municipalities to achieve this using the Integrated Development Planning framework which should produce a five-year planning document called an Integrated Development Plan (IDP).

The IDP must set out the vision and development objectives of the municipality for the elected term of the council.

Section 35(1) of the Municipality Systems Act states that “An integrated development plan adopted by the council of a municipality is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality.” It also “binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality’s integrated development plan and national or provincial legislation, in which case such legislation prevails”. Furthermore, a municipality “must give effect to its integrated development plan and conduct its affairs in a manner which is consistent with its integrated development plan” (Municipal Systems Act, section 36).

Other functions of local government Schedule 4 part B SA Constitution include:

- Air pollution
- Building regulations
- Child care facilities
- Electricity and gas reticulation
- Firefighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions

- specifically assigned to them under this Constitution or any other law
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- Stormwater management systems in built-up areas
- Trading regulations
- Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems

Before the IDP process can begin, the process must be set out in writing to guide the planning, drafting, adoption and review of the IDP. The mayor has overall responsibility for the production of the IDP, while the municipal manager is responsible for implementing and monitoring the IDP process. The process plan must include a programme specifying the timeframes for the different planning phases (see more below) and appropriate mechanisms, processes and procedures for consultation with and participation of local communities, organs of state, traditional authorities and other stakeholders in the IDP process. The plan must also identify all plans and planning requirements binding on the municipality in terms of provincial and national legislation. **The municipality must notify the local community of the particulars of the process it intends to follow.**

PHASES OF THE IDP

Phase 0: (Preparation Phase)

The municipality enters another round of planning by developing a process plan which outlines all the steps to be followed when developing the IDP. The municipal process plan should with the district framework plan as required by the Municipal Systems Act.

Phase 1: Analysis

Municipalities analyse the existing problems faced by people in their specific municipal area and the cause of these problems. Key development needs are prioritised and available and potential resources to address these needs are identified.

Phase 2: Strategies

In this phase, the municipality must articulate its long-term vision as well as development objectives (based on issues prioritised in phase 1) and strategies for how it will achieve these objectives. The municipality must also identify projects, the implementation of which should result in the achievement of the municipality's development objectives.

Phase 3: Projects

This phase involves the design of specific and concrete project proposals. The municipality needs to define indicators for each objective. Each project needs to have identified outputs (or deliverables), with targets and locations. Major activities must have timeframes and responsible agencies identified so that it is clear who will do what when. **Finally, the project proposal must set out cost estimates and budgets with sources of finance for all projects. This helps to show whether the project is affordable and where the money for funding it is supposed to come from. While developing these strategies, the municipality should consult the residents, communities and stakeholders interested in or affected by each project.**

Phase 4: Integration

In this phase, the multiple project proposals are integrated into one "Integrated Development Plan". The result of this phase should be an operational strategy, which should include revised project proposals; consolidated sector plans for each sector; a five year financial plan; a five year capital investment programme; a five year action programme; an integrated monitoring and performance management system; an integrated spatial development framework; an integrated poverty reduction/gender equity programme; an integrated environmental programme; an integrated local economic development (LED) programme, inter alia. These integrated plans, together with the revised project proposals, form the draft IDP.

Phase 5: Approval

The draft IDP is commented on by the Department of Cooperative Governance Traditional Affairs (formerly the Department of Provincial and Local Government); the local community; and, the district. There is a strong emphasis on participation and comment on the draft document prior to its approval. The Final IDP is adopted by Council.
(Phase 5: Annual Review)



THE BUDGET

The IDP does not exist in a vacuum. The municipality needs to put together a budget for the implementation of its priorities and plans. For instance, it is not enough for the IDP to state that the municipality intends to provide a "Transfer Facility: Lenasia Scholar Transport Interchange" - the municipality must set aside a budget for the provision of this transfer facility.

The budget reflects the choices that the municipality must make, and it is the tool that the municipality uses to achieve its economic and development goals. In the budget, the municipality sets out what it is going to spend (expenditure) and the income it will receive (revenue), which it needs to finance the delivery of services to the people. Therefore, municipal budgeting is the process of identifying and distributing available financial resources for the optimum achievement of activities and objectives scheduled in the IDP. The Municipal Finance Management Act (2003) (MFMA) stipulates how a municipality must prepare and execute its budget.

The budget itself sets out how much money the municipality is going to spend, and how it will raise the money it is going to spend. It also outlines municipal expenditure plans. Once the budget has been developed, community needs should be reflected in the IDP. Residents should be able to see what the municipality plans to spend in respect to specific wards and whether the proposed expenditure addresses key service delivery needs. The budget also includes information on two additional years to assist the municipality's medium term planning (planning over 3 years).

It is important to note that when council approves a municipal budget, it only considered the year in which the municipality will be spending e.g. in the 2024/2025 financial year the council will only consider the 2025/2026 budget for adoption.

THE COMPOSITION OF THE BUDGET

A municipal budget, also referred to as the Medium-Term Revenue and Expenditure Framework (MTREF), is drawn up for a financial year, and sets out what will be spent in the year, as well as how that expenditure will be funded. Importantly, the budget is made up out of two different components:

- **Operating Budget:** The operating budget deals with what we call the day-to-day expenses of running the municipality and the income it receives and collects for those expenses. These 'day-to-day' activities include the purchase of bulk services such as water and electricity and salary and wage expenses.
- **Capital Budget:** The capital budget deals with the income for and the costs (often large amounts) that you pay to put something in place (usually infrastructure) that will be there for years to come. These include purchasing land, buildings, vehicles, municipal and provincial roads.

Sources of the Municipal Revenue (income)

Operating Revenue:

1. **Service Charges:** This payment for the services a municipality delivers such as electricity, water, sanitation and refuse removal.
2. **Property Rates:** Property owners (business and well as individuals or families) who own land, houses, factories, office blocks in a municipality pay these rates based on the value of the property.
3. **Other revenue:** Relatively small share: traffic fines, library book fines, payments of approval for building plans
4. **Grants from Government:** All municipalities get operating grants (also called transfers) from the national government, and sometimes also from provincial governments or district municipalities (in the case of local municipalities). "Other" grants are small amounts. The most important grant is one from the national government called the Municipal Equitable Share (MES). The municipality is supposed to use the MES to provide free basic services such as water and electricity to residents who cannot afford to pay for it.

NB: Municipalities are not allowed to borrow for their operating expenditure.

Capital Revenue: this is the income which will fund long term infrastructure programmes.

MAIN SOURCES OF REVENUE FOR THE CAPITAL BUDGET:

1. **Government Grants:** Also called “transfers recognized”: most from the national government. The Municipal Infrastructure Grant (MIG) is allocated to local municipalities and is a combination of all capital grants for municipal infrastructure development. The two most important grants to metro municipalities are the Urban Settlements Development Grant (USDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG)

2. **Borrowing** (loans) e.g. from financial institutions and multilateral organisations

3. **Internally generated funds:** From the current operating surplus (leftovers from the operating budget) or from previous operating surpluses

4. **Public Contributions and donations:** Local or foreign (donor might want publicity)

Local government conditional grants can only be used for specific purposes and are ring-fenced accordingly. Examples of these include the MIG funds which must be used to upgrade and build new infrastructure up to a basic level of service as well as to rehabilitate existing infrastructure, so long as the infrastructure is for basic services for the poor. The USDG must be used to build more serviced sites, provide more individual connections as well as more interim basic services, such as communal standpipes and communal flush toilets. This grant is therefore used for more than just funding upgrading projects. The ISUPG is a conditional grant funds in-situ informal settlement upgrading, which includes identifying informal settlements for upgrades, providing households with tenure and providing municipal engineering services, such as water, sanitation and electricity.

Learning Resources:

- To assist civic actors to engage in the municipal budget process; [this video from Municipal Money](#) provides a great introduction to Municipal Finance and the Integrated Development Plan (IDP) (length: 7 minutes, 22 seconds).
- For more information on conditional grants; participants can [access this video from Municipal Money](#) (length: 5 minutes, 01 second)
- To strengthen participants confidence with reading government budget documents; use this Vulekamali video on how to [read government budgets](#) (6½ minutes)

Service Delivery & Budget Implementation Plan (SDBIP)

The SDBIP is informed by the IDP and is a plan to deliver services each year. It is meant to help the stakeholder understand what will happen in the current or upcoming financial year. **The information presented in the SDBIP is important to ensure that the municipality does what it has promised to do. This document must be approved by the mayor within 28 days of the budget's approval by council and it must then be made public within 14 days of its approval (MFMA s.53)**

What you can expect to find in the SDBIP are the service delivery targets for the year; what services will be delivered, when and where; performance measures for these activities, indicating how the municipality will measure its own progress in achieving the IDP and a list of every capital project the municipality is planning or already implementing.

For each of these projects, the SDBIP must provide:

- the ward number where the project is located
- project number and name
- short description of what the project is about
- planned start date and, if relevant, actual start date
- planned completion date, and if relevant, actual completion date
- capital costs per month;
- reasons for any changes in the project delivery; and
- the name of the responsible senior manager.

Although the SDBIP is initially approved by the mayor, it can only be amended with the approval of the council (MFMA section 54).

Why should you monitor the strategic planning process from a rights-based approach?

A rights-based approach to evaluating strategic plans (also referred to as the IDP) questions whether the strategic plans address the most pressing socio-economic needs (service delivery needs) of the people living in that municipality. If one adopts this approach, the following questions are critical:

1.) Is the IDP informed by a rigorous and up-to-date needs analysis?

In other words, has the municipality accurately identified people's socio-economic needs?

2.) Will the implementation of the plan result in the realisation of socio-economic rights?

In other words, have people's service delivery needs been prioritised in the objectives and corresponding activities of the Municipality's strategic planning process?

For the Municipality's activities and objectives to address the most pressing social needs, the Municipality must identify the needs of communities within its jurisdiction

Once needs are identified, they must be unpacked to determine the size and nature of the gap that needs to be filled.

Needs analyses should feed into the prioritisation of policies at Municipal, Provincial and National levels as policy priorities that form the guiding principles for planning.

More questions to ask when evaluating the IDP from a rights based approach

- Does my IDP accurately describe the needs and challenges of my community?
- Does my IDP explain the municipality's vision for the type of services it wants to deliver?
- What kind of solutions does my IDP present in relation to the challenges my community faces?
Do they seem like solutions that will help or work?
- What does the IDP say about the service delivery issue I am concerned about? Does it reflect my experience, needs and ideas?
- What does the IDP say about plans for my ward? Is it there?

Does the IDP tell me who is responsible for implementing the programme I am concerned about?

What are the major projects the IDP says the municipality will implement, and do I agree that they address the most important and urgent problems of the municipality and my community?

Does the IDP (and the Municipal Spatial Development Framework included in it) say where new housing will be built?

Who are the key role players?

These are the Key role players within a municipality and therefore the IDP and budgeting process

Political Structures

The Ward and PR Councillors who were elected to represent us in the council

The Administration

The Public service- the officials, managers and workers who make it all happen

The Local community

The people who live and work in the municipality, and the organisations they belong to, such as civics, unions or business associations.

The council is the highest political decision-making structure in the municipality. It has both legislative and executive authority:

Legislative authority refers to the power to pass by-laws, determine the municipality's policies and budgets, and conduct oversight of the municipality's work as a whole.

Executive authority refers to the power to lead, oversee and coordinate the work of the administration and the implementation of policies and programmes.

The Municipal Council

Municipal Councils consist of elected members, elected in accordance with a system of proportional representation. Councillors serve a term of five years at the end of which elections are held. The Municipal Council is solely responsible for the following passing by-laws and approving municipal budgets. There are several role-players:

- **Councillors:** elected ward councillors and proportional representation (PR) councillors each have a seat in the council and together are responsible for the political leadership of the municipality.
- **Ward Councillors:** belong to a particular ward, they won the most votes, are expected to advance the interests of the ward regardless of political party affiliation. They do not have to be affiliated to a political party.
- **PR Councillors:** elected indirectly. A party will have a certain number of council seats proportional to the number of votes received from the local elections. Parties select these proportional representative councillors according to their own rules and regulations. Accountable to political party, mandate is to advance their party's interests.
- **Speaker:** the councillor elected by council to convene its meetings, set the agenda for meetings and enforce the Code of Conduct for Councillors (COCC). The speaker is the council chairperson. In very small councils, the mayor is also speaker.
- **Mayor:** the executive mayor is the councillor elected by council to politically lead the administration. The powers of the mayor depend on whether executive power is with an executive committee or a mayoral committee.
- **Mayoral or Executive Committee:** most municipal councils have an executive mayor which appoints a mayoral committee that acts like a local cabinet, assisting politically with leading the formulation and implementation of programmes. In some councils an executive committee is formed by council, with the mayor as the chairperson.
- **Standing or Portfolio Committees:** comprise several councillors which focus on specific portfolios and issues in depth. They serve as the link between the administration and the political structure, and parallel key municipal functions and departments e.g. water and sanitation. All councils should have finances and public accounts committees

- **Whips:** senior councillors from each political party whose role is to ensure that all party members vote and speak in accordance with that party's policies. They also set meeting agendas with the speaker and assign councillors to committees.
- **Chief Whip:** the whip of the party with the most votes, also called the ruling party. They assist the speaker in managing the council.
- **Party caucuses:** where each political party brings its councillors together to discuss their position on budgets, plans, policies or by-laws.
- **The official opposition:** the party which received the second highest number of votes and does not hold an executive function. The councillors of this party are expected to play an especially strong oversight role.

The Municipal Administration

The administration or public service includes the officials, managers and workers who implement policies and plans and deliver services. They are not elected but are appointed. They work for the municipality, regardless of which political party is in power. Officials should have the skills to perform the specialised work required to deliver municipal services e.g. engineering or town planning. The administration is expected to manage the municipality in a manner consistent with the Constitution. This means that it must be accountable, transparent and responsive (Constitution section 195 and MSA section 6).

The Local community

South Africa's laws consider communities to be an important part of local government. Both the Municipal Systems Act (MSA) and the Municipal Structures Act (MSTA) emphasise that community members are key decision makers about all aspects of local government all the time, not only during elections.

But what is "the local community"? According to the MSA (section 1), it includes:

- the residents of the municipality.
- the ratepayers of the municipality

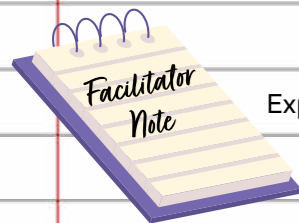
- any civic organisations and non-governmental, private sector or labour organisations which are involved in local affairs; and
- visitors and other people residing outside the municipality who make use of services or facilities provided by the municipality.

This definition specifically includes the poor and other disadvantaged groups.

The people making up the local community have the right to (MSA section 5):

- Contribute to the municipality's decision-making processes.
- Complain or make recommendations to any municipal structure, either in writing or in person, and expect prompt responses to these.
- Be informed of council decisions that may affect them, as well as the municipality's state of affairs on a regular basis.
- Demand that council proceedings are open, conducted fairly and are not driven by personal interests.

To realise these rights, municipalities must also contribute to building the capacities of communities to participate and set aside funds for this purpose (MSA section 16).



Explain the differences between service delivery and non-service delivery priorities.

Service delivery is also known as the provision of services such as water, sanitation, electricity, public roads, etc. Service delivery priorities are the urgent basic needs in a particular ward. The urgency of these needs is known by the residents of a particular ward. Non-service delivery priorities are governance priorities identified by municipal officials that need to be budgeted for within that financial year, which if they are addressed will lead to the delivery of basic services. For example, upgrading of the municipal website, percentage of ward committees that are functional, reviewing of an organogram by the end of the financial year, percentage of all qualifying indigent applications by the end of the financial year.

At this point of the training, participants are taken through parts of their municipality's IDP.

SECTION THREE: EXPENDITURE AND PERFORMANCE MANAGEMENT



To prepare for this session, the facilitator needs to have gone through the following documents:

- The Municipality's IDP
- The Budget
- The SDBIP
- Municipal Performance Agreements
- Annual Financial & Performance Reports
- Audit Report.
- The Annual report

They need to be able to answer the following questions for an activity at the end of this session on Expenditure Management:

Fiscal Discipline

- Did the municipality spend its allocated budget?
- Did the municipality adjust its budget?

Consistency with the Budget & IDP

- Did the municipality spend as per the IDP, SDBIP and Budget?
- Did the municipality provide explanations and justifications for their spending?

Good operational management

- Did the municipality implement proper financial controls?
- Did the municipality incur irregular, wasteful and fruitless expenditures?

Auditor General

- What is the AG's opinion on the municipality's financial statements?
- What are the recommendations from the AG's office?

Performance Management

- Did the municipality achieve its objectives for the Financial Year under review?
- Were there explanations and justifications?

Managing process

- Does the municipality publish, and in compliance with relevant legislation, performance reports?
- Is there an existing internal audit unit?
- Is there an established Audit committee?

Managing results

- Was a comprehensive list of constraints to achieving objectives articulated in the IDP?
- How does the municipality monitor its service delivery?
- Did the municipality implement effective mechanisms to monitor the delivery of services throughout the year under review?

What is expenditure management?




Expenditure Management is the supervision and control of budget execution. It involves the distribution and spending of allocated financial resources to procure goods and services that will deliver the intended policy objectives.

Expenditure Management entails determining the extent to which the municipality uses public funds effectively, efficiently and with a critical focus on utilising limited resources optimally (value for money).

Effective expenditure management requires that the municipality spends within its means in the execution of public funds. And that the municipality must ensure that the spending is directly aligned to identified priorities and policy objectives outlined in the IDP and SDBIP.

To ensure this happens as planned, the municipality must track its expenditure. Expenditure tracking allows officials/departments to ask 'are allocated funds being used for their intended purpose- in alignment with plans?' and lastly, effective expenditure management ensures that deviations from the plans are explained and justified and corrected as needed.

In executing the budget, the municipality aims to achieve 3 basic goals through expenditure management, and these include:

-  Fiscal discipline – the municipality should only spend what they can afford.
-  Strategic allocation of budgeted resources – the municipality's spending should always be consistent with strategic plan objectives and policy priorities.
-  Good operational management, looking at –
 - Efficiency: the municipality's spending buys all that is needed and only what is needed to be available when it is needed.
 - Effectiveness: the municipality's spending achieves the outcome for which the output is intended.
 - Value for Money: the municipality's spending acquires the best quality of goods or services at the lowest possible price.

Expenditure Management

The effective management of available public resources plays a critical role in a Municipality's ability to implement its Integrated Development Plan. Expenditure management, therefore, is a necessary requirement for the progressive realisation of peoples' socio-economic rights through the delivery of basic services.

In order to hold duty-bearers to account for the use of public resources, it is necessary for Civacts to question whether the resources that are allocated for the delivery of services were spent during the financial year that is being reviewed; whether these resources were effectively managed; and, whether necessary financial controls were adhered to.

This Expenditure Management component of Social Accountability Monitoring focuses on establishing whether the government institution uses public funds effectively, and efficiently to achieve value for money. The focus should be on emphasising the importance of understanding spending that is aligned to the identified priorities and policy objectives outlined in the strategic planning documents of the Municipality; and emphasis is on the importance of scrutinising audit outcomes to understand what they say about how the Municipality uses and manages public funds.



The municipal expenditure management process begins with the financial year on 1 July as municipalities begin spending their approved allocations. After each month, the municipality must produce a monthly expenditure report and a quarterly expenditure report must be tabled before council every three months. In addition, the municipality must report on all expenditure for the first half of the financial year in a mid-year budget and performance assessment report.

At the end of the financial year, the municipality must account for all expenditure by producing Annual Financial Statements, which must be audited by the Auditor General. These statements, together with the Auditor General's audit report, must be included in the municipality's Annual Report. The production of these reports represents the key events in municipal expenditure management. The timeframes for these reports are set out below.

TIMEFRAME	ACTIVITY	SUPPORTING LEGISLATION
30 June	Council must approve an annual budget before the start of the financial year	MFMA 16(1) and 24(1)(a)
1 July	Start of the financial year	MFMA 1(1)
Mid-August	July monthly report	MFMA 71
Mid-September	August monthly report	MFMA 71
Mid-October	September monthly report	MFMA 71
End October	Quarterly report (q1) tabled before Council	MFMA 52(d)
	Publication of consolidated quarterly report by Provincial Treasury	MFMA 71(7)
Mid-November	October monthly report	MFMA 71
Mid-December	November monthly report	MFMA 71
Mid-January	December monthly report	MFMA 71
25 January	Mid-year budget and performance assessment report	MFMA 72
End January	Quarterly report (q2) tabled before Council	MFMA 52(d)
	Publication of consolidated quarterly report by Provincial Treasury	MFMA 71(7)
Mid-February	January monthly report	MFMA 71
Mid-March	February monthly report	MFMA 71
Mid-April	March monthly report	MFMA 71

TIMEFRAME	ACTIVITY	SUPPORTING LEGISLATION
End April	Quarterly report (q3) tabled before Council	MFMA 52(d)
	Publication of consolidated quarterly report by Provincial Treasury	MFMA 71(7)
Mid-May	April monthly report	MFMA 71
Mid-June	May monthly report	MFMA 71
30 June	End of the financial year	MFMA 71
Mid-July	June monthly report	MFMA 71
End July	Quarterly report (q4) tabled before Council	MFMA 52(d)
	Publication of consolidated quarterly report by Provincial Treasury	MFMA 71(7)
31 August	Municipality must submit financial statements to the Auditor General	MFMA 126(1)
30 November	Auditor-General must audit the municipality's financial statements and submit an audit report to the accounting officer within three months of receipt of the statements.	MFMA 126(3)
31 January	Annual Report must be tabled before Council "Immediately after an annual report is tabled in the council... the accounting officer... must... make public the annual report and invite the local community to submit representations in connection with the annual report" MFMA 127(5)	MFMA 127(2)
February - March	Council meetings are held to discuss the Annual Report. These meetings "must be open to the public" and "a reasonable time must be allowed for the discussion of any written submissions received from the local community... on the annual report; and for members of the local community... to address the council". Representatives of the Auditor-General are entitled to attend, and to speak at, these council meetings.	MFMA 130(1) and (2)
31 March	Council must consider the Annual Report and produce an oversight report on the Annual Report.	MFMA 121(1) MFMA 129(1)
Mid-April	The accounting officer must make public the council's oversight report on the Annual Report within seven days of its adoption.	MFMA 129(3)

Tracking Expenditure

Expenditure Tracking is the process of monitoring expenditure (as well as revenue received) during the financial year. In order to account for its expenditure and for its own internal management, the municipality must track its own expenditure and reflect this monthly, quarterly and year-end financial reports. Expenditure tracking is a necessary requirement for expenditure management. Both reformers and government officials track expenditure within the public resource management framework. A rights-based approach to public expenditure monitoring asks the following questions of service delivery to government authorities:

- Did the municipality spend its budget allocation and, where it did not, did the municipality provide adequate explanations for all over or under expenditure?
- Did the municipality follow proper payment procedures and implement proper financial controls over its spending of public funds in all instances?
- Did the municipality use available resources for their intended purposes?
- What are the implications of the municipality's spending for the progressive realisation of the human rights and needs of citizens?




Establishing internal controls

The Internal Audit unit is established under Section 165 of Municipal Financial Management Act which states that each municipality and each municipality entity must have an internal audit unit to prepare a risk-based audit plan and an internal audit program for each financial year. This unit gives advice to the Accounting Officer and reports to the Audit Committee on the implementation of the internal audit plan and matters relating to internal controls, Risk and risk management and Performance management.

The internal audit function may be outsourced if the municipality requires assistance to develop its internal capacity and the council of the municipality has determined that this is feasible or cost-effective.

Types Of Expenditures

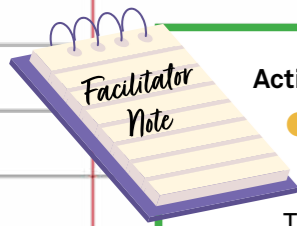
There are 3 ways of describing erroneous expenditure within a municipality, which may lead to an adverse audit opinion for the institution. These are:

-  **Unauthorised Expenditure**
 - Overspending of a vote or a main division within a vote;
 - Expenditure that is made not in accordance with the purpose of a vote or not in accordance with the purpose of the main division.
-  **Irregular Expenditure**
 - Expenditure incurred in contravention of or that is not in accordance with a requirement of any applicable legislation
-  **Fruitless & Wasteful Expenditure**
 - Expenditure that was made without success and would have been avoided had reasonable care been exercised.

Audit Opinions

- An unqualified or 'clean' audit. This means that the municipality complied with all relevant laws, and its reports are fair and reliable.
- An unqualified audit with findings means that while generally, the municipality's management is good, it did not do everything as required, and without assistance from the AG its audit outcome would have been worse.
- A qualified audit means that in some areas, the municipality did not follow the laws or check that it received the services paid for. The AG is therefore unsure if the financial statements are fair. One common reason for a qualified opinion is missing financial records.
- An adverse audit is the same as a qualified audit, except that it means that the municipality did not follow the laws and/or check that it received the services paid for in most areas. As such, it is unlikely that its financial statements are fair.
- A disclaimer means that the AG has seen so few of the financial records that it cannot say if the financial statements are fairly presented and whether the municipality's money was spent properly

Performance Management



Activity one after session on Performance Management:

- Did the municipality achieve its objectives for the Financial Year under review? Were there explanations and justifications?

The relevant documents that will assist in this activity are the Annual Financial and Performance reports, IDP, SDBIP, Municipal service delivery agreements and audit report.

Activity two: Managing People

- What was the municipality's vacancy rate for the year under review?
- Is there evidence of a recruitment plan or HRD plan?
- Is there an existing Performance Management System (PMS) within the municipality?

Activity three: Managing process

- Does the municipality publish, and in compliance with relevant legislation, performance reports?
 - The facilitator must explain the significance of publishing reports on time and as per relevant legislation.
- Is there an existing internal audit unit?
 - The facilitator needs to explain the role and significance of the internal audit unit.
- Is there an established Audit committee?
 - The facilitator must explain the role and significance of the Audit Committee.

Activity four: Managing results

- Was a comprehensive list of constraints to achieving objectives articulated in the IDP?
- How does the municipality monitor its service delivery?
- Did the municipality implement effective mechanisms to monitor the delivery of services throughout the year under review?
 - The facilitator should explain the significance of mechanisms to monitor service delivery.

focus on establishing whether the municipality has effective internal control mechanisms that seek to manage and minimise risk, and misuse of public resources and ensure good service delivery. It also focuses on identifying key officials and accounting officers responsible for specific tasks to allow for effective performance management, oversight and accountability.

Since we are using a rights-based approach, scrutinising performance management requires questioning whether resources were used efficiently, effectively, and economically in order to realise people's socio-economic rights through the delivery of quality basic services. When monitoring performance management processes, participants must ask:

- Did the municipality implement the activities and objectives set out in its IDP effectively, efficiently and economically?
- Did the municipality account for any failures or weaknesses within the performance management system or in its service delivery?
- Did the municipality progressively realise people's socio-economic rights within available resources through the delivery of public services

Performance management focuses on management of people, systems and performance in government. Managing people includes making sure that the right people are in the right jobs doing the right things becomes an essential component of success. Managing processes about what is done. In strategic planning, it is assumed that if one does what is planned the destination will be optimally reached. The process of implementing what is planned and monitoring to ascertain whether one is on track to the desired destination is the second essential component of performance management. Managing results also includes what is achieved by doing that is the ultimate prize. It is therefore important to continually adjust what is done to ensure that optimal results are achieved. It is also important to ensure that all potential obstacles to achieving optimal results are neutralised.

The management of people component looks at how a municipality is managing its employees to ensure that they deliver basic services with limited resources in an effective and efficient manner.

The planning and annual report documents must be scrutinised to check for the existence of staff establishment or organogram. Additionally, scrutinising these documents helps one understand

Performance management is a means of getting better results from an institution, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. It focuses on the implementation of the IDP with a

whether critical vacancies are filled urgently so that they do not negatively affect the decision-making on service delivery and governance. These key aspects help to establish if the institution has all relevant employees to perform their duties. If there are vacancies, how are they affecting the delivery of services? Moreover, it is important to establish whether the government institution has a performance management system (PMS). If it does, is it implemented through all employees of the institutions? If not, how is the lack of the implementation of PMS affecting staff performance to deliver services in an effective and efficient manner with limited resources. Lastly, participants have to reflect on the role of residents on performance management issues, because under performance can result in a municipality not delivering the services residents are waiting for.



Performance management of a municipality requires the scrutinization of the following documents: Integrated Development Plan (IDP), Service Delivery Budget Implementation Plan (SDBIP), Municipal Performance Agreements, Annual Financial & Performance Reports, and Audit Report. The facilitator of the session conducts a number of activities to assist in applying the performance management knowledge in practice. The facilitator must prepare in advance for these activities. During the training, the facilitator guides how the activities must be and show the participants where to look for the information and explain why these activities are important as part of the social accountability monitoring.

SECTION FOUR: OVERSIGHT IN LOCAL GOVERNANCE

Facilitator Note


Facilitator needs to be able to answer the following questions for the planned activities.

Activity: Forms of Accountability


-  Outline the differences between political social and financial accountability
-  Who are the key role players in political, social, and financial accountability?

The facilitator explains and emphasises the importance of participants knowing the key role players in the different forms of accountability so that the participants can monitor their performance in doing oversight by municipal implementing officials for the realisation of socio-economic rights.


Activity: Oversight

-  Does the IDP reveal whether the section 79 and section 80 Committees are established as per section 79 of the Municipal Structures Act?

The facilitator emphasises the importance of a municipality to have established section 79 and section 80 committees to oversee the work of service delivery departments. As part of doing Social Accountability Monitoring (SAM), it will be important for participants to monitor these committees so that they know whether councillors in these committees are fulfilling the mandate they were given by voters.

-  What does the Annual report say about the functionality of MPAC?

The facilitator stresses the importance of participants scrutinising the annual report to understand if MPAC is functional and performing. The facilitator opens a discussion with participants on the differences between a functional and a performing committee. As part of doing SAM, the facilitator explains to participants why they need to advocate for MPAC to be assessed on the performance as opposed to their functionality.

-  What does the AG report say about the functionality of MPAC?

The facilitator explains to participants that another way of knowing if MPAC is doing its work is to read the AG report and see whether audit related work of MPAC was investigated or not.

This session introduces participants to oversight in local governance. Participants are also introduced to ways in which they can do oversight in local governance and at community level to ensure that their socio-economic rights are realised. Participants are expected to demonstrate their understanding of oversight in local governance and at community level.

Oversight is a constitutional function of the legislature to scrutinise and oversee the executive action of any organ of state. Oversight entails overseeing the work of the executive in the quest to enhance service delivery to achieve improved living conditions for all residents. There are several bodies responsible for oversight in a constitutional democracy, including the Legislature, Audit Institutions

and Chapter 9 institutions focusing on key areas such as human rights, gender, the environment, elections, public service, etc. Our focus is on the municipal council, and the Auditor General of South Africa. Oversight in local government is the active interface between the municipal council with the executive and administrative structures to improve the delivery of predetermined objectives of municipal priorities.

The facilitator provides a refresher of what accountability means in our context. In this explanation of accountability, the community is at the centre of it all. The community gives mandate or responsibility to deliver public services to the municipality (i.e. council and administration). The mandate is given when the community votes politicians into power and they become councillors of the municipality in Council. The Council is involved in decisions that include employment of staff in the Municipal administration to deliver services. Therefore, the community has a right to require the municipality to account on decisions they are taking or not taking to actualize service delivery. The community further has a right to sanction the municipality (i.e. council and administration) if the municipality fails to inform and/or explain/justify decisions with regard to the mandate of delivering services to realize people's socio-economic rights. This explanation is depicted in the municipal accountability cycle as demonstrated below.

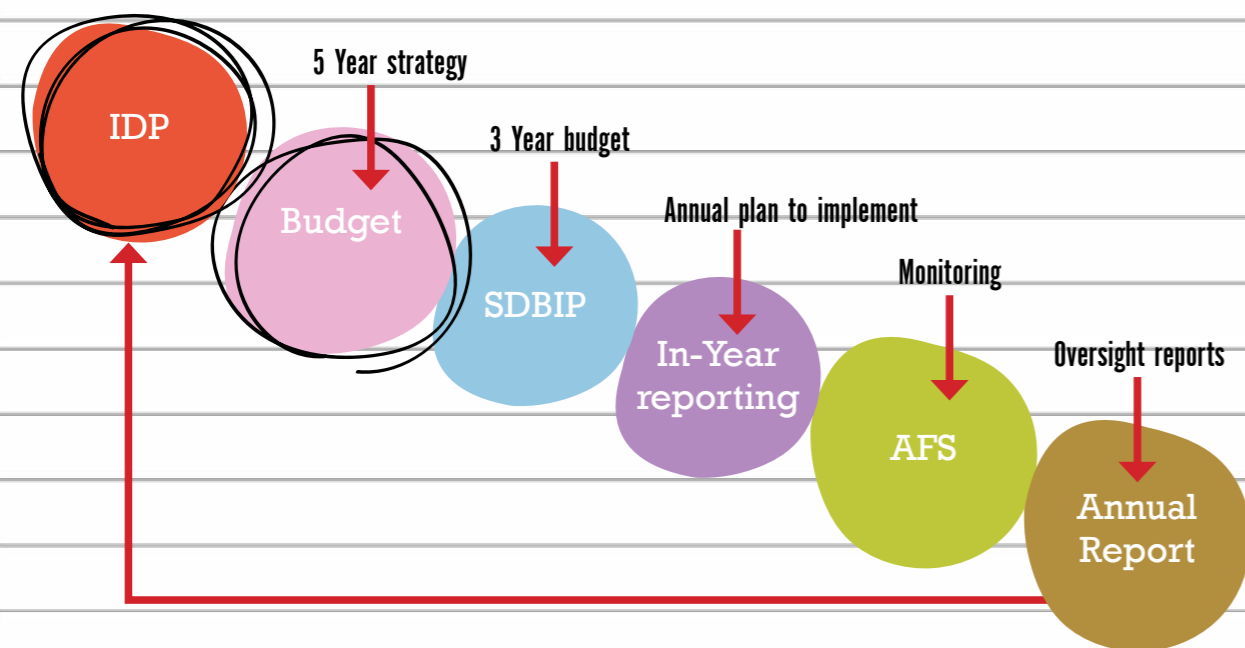


Figure: Municipal Accountability Cycle (adapted from SALGA, 2021)

This municipal accountability cycle shows that the service delivery mandate is given by the community (via the IDP) to the council so that they oversee the work of the municipality administration. The municipal administration must account to the municipal council which is accountable to the community. The facilitator emphasises the importance of active citizenry through social accountability monitoring to ensure that residents' socio-economic rights are realised. Social accountability is about citizens, CSOs, media and communities monitoring the behaviour and decisions of duty-bearers and exact accountability on various issues that affect their lives.

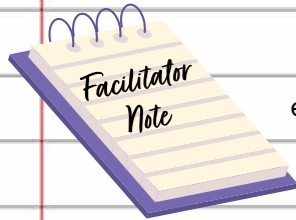
The municipal council's key roles include legislative and participatory roles; playing an oversight role in the municipality; making policies for the municipality; formulating and approving by-laws; approving policies and programmes that are in the best interest of the public; debating issues publicly; facilitating political debates and discussions; and approving and appointing Administrative Heads in terms of Section 56 of the Municipal Systems Act.

The role of the Municipal Public Accounts Committee (MPAC) includes considering and evaluating the Municipality's Annual Report and making recommendations to the Council; making recommendations to the Council when it adopts the oversight report on the annual report; reviewing and following up past recommendations on the Annual Report; advising the Municipal Council in respect of unauthorized, irregular or fruitless and wasteful expenditure; performing its oversight functions without interfering with Administrative operations; and performing any other oversight function as may be requested by the Municipal Council from time to time.

The general roles for the Municipal Oversight Committees are to: hold officials accountable through demanding explanation, justification on decisions taken and corrective action when necessary; hold senior officials accountable for their actions on planning, budgeting, expenditure, performance and overall delivery; exercise oversight to detect and prevent abuse of public resources; prevent illegal and unconstitutional conduct on the part of the government; protect the rights and liberties of citizens; make government operations more transparent and increase public trust in the government; promote increased civil society and public engagement; promote increased, knowledgeable, and objective media coverage of oversight work; summon anybody to appear before them to give evidence

or to supply any required documents or information; monitor, investigate and enquire into the activities of the executives such as government policies, use of public resources, etc.

Oversight is not only done by the municipal council and the section 79 and section 80 committees in municipalities. Section 188 of the South African Constitution gives the Auditor General South Africa a mandate to do oversight national, provincial, and local government administrations.



explain the differences between oversight and accountability and show that oversight leads to accountability. Accountability is the process whereby citizens require the government to account on their plans of execution

through explanations, justifications and remedial actions when necessary. Also outline forms of accountability in governance, specifically political, social and financial accountability and discuss with the participants differences and key role players in political, social and financial accountability spaces. This necessitates the explanation of the difference between ward councillors and proportional representation councillors as key players in these forms of accountability. The ward councillors duties involve representing a specific ward on the municipal council; elected through the systems in which the candidate that receives the most votes wins; are the chairperson of their ward committees; and must give special attention to their wards. The PR councillors represents a political party on the municipal council; are elected through the system of "proportional representation"; in this system the political party nominates its candidates on the party list; and the number of votes a party receives determines the number of candidates a political party will have in Council.

Lastly – introduce section 80 committees. The diagram below demonstrates these committees as sub-committees of the Municipal Council.

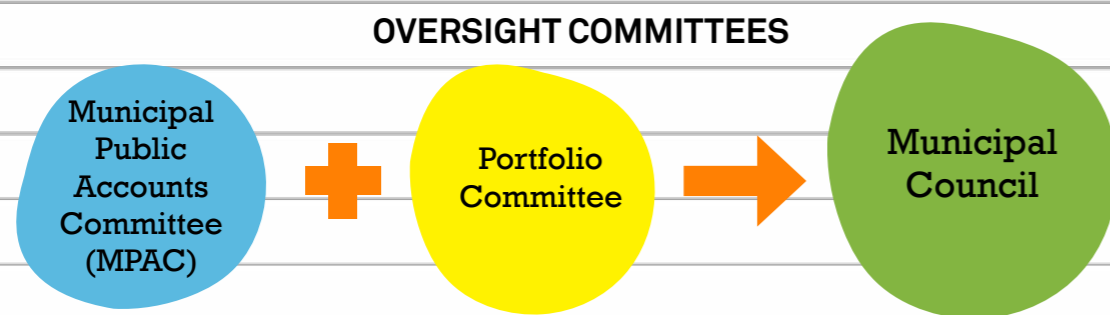


Figure 5: Municipal Oversight Committees

Explain the main roles of the Auditor General using the diagram below:

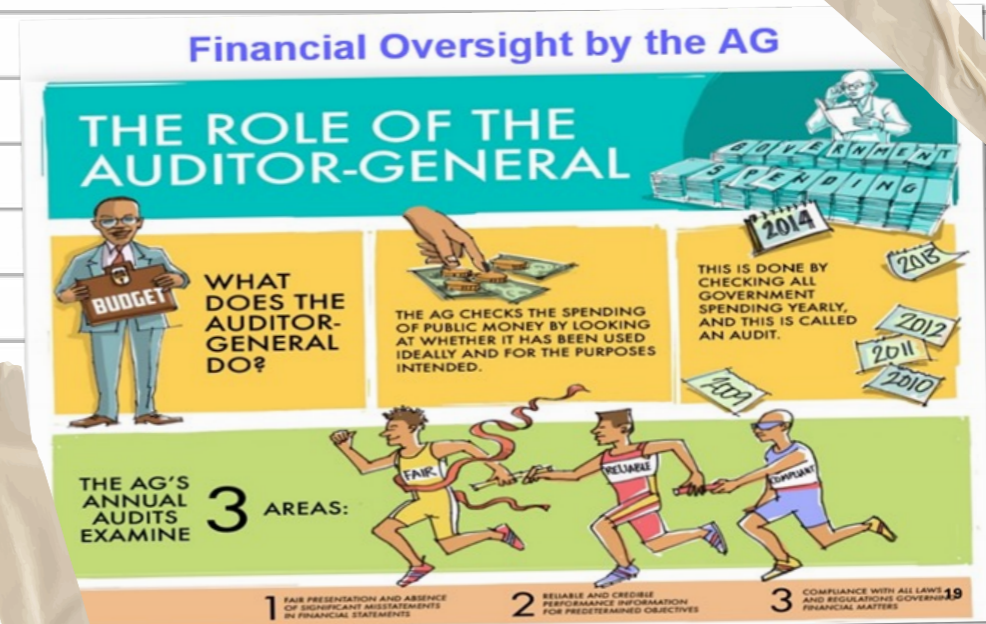


Figure 6: brief description of the role of the Auditor General in South Africa. <https://www.vukuzenzele.gov.za/advertorial-role-auditor-general>



encourage participants to scrutinize the municipal audit outcomes as indicated in section three on expenditure management. When doing social accountability monitoring, participants must hold the oversight committees accountable for their performance in doing financial oversight. What role can members of the public pay during portfolio committees? The public can attend oversight committee members to observe and listen. They can also make formal submission to the committee on issues emerging from the discussions of the committee or emerging from the community.

SECTION FIVE: ADVOCACY

SESSION OBJECTIVES

- To define and locate advocacy in our everyday lives
- To understand the why of advocacy and how it links to Social Accountability
- To understand the power dynamics within advocacy
- To unpack different strategies and tactics to employ during advocacy
- To look at service provision as a continuum and where to locate our advocacy during the process
- Developing a localised advocacy strategy



Participants should be able to tell whether the issue they are focusing on is planning, budgeting, spending or performance related.

- Is the Municipality open and transparent about their reporting?

From the issues identified in section one, identify whether it is planning, budgeting, expenditure or performance related.

- From the work done at a community level, what information do you have about the issue?
- What information do you still need (is it readily available or will you have to make a formal request through your representatives?)
- Where will you find this information (what will be your first steps?)
- What will you do with this information? (go back to the strategies and tactics and develop a plan on how you will use the information obtained in order to deal with the issue identified. That then becomes your advocacy strategy)

Advocacy consists of organised efforts and actions based on the reality of “what is”. These organised actions seek to highlight critical issues that have been ignored and submerged, to influence public attitudes, and to enact and implement laws and public policies so that visions of “what should be” in a just and decent society become a reality. Human rights – political, economic and social – provide an overarching framework for these visions.

Advocacy can have powerful results; it may function to enable social justice advocates to gain access and voice in the decision-making of relevant institutions; change the power relationships between these institutions and people affected by their decisions, thereby changing the institutions themselves; and contribute to a clear improvement in people’s lives.



Power relations in Advocacy

Increasing participation in the processes of government is an important part of advocacy. Advocacy interventions must address relationships of political power governing these processes. Failure to address the complexities of power and poor understanding of power relationships will result in missed opportunities for communities and may become counter-productive, both for reformers and for the promotion of democracy and human rights.

IT IS IMPORTANT TO CARRY OUT A POWER MAPPING EXERCISE AND ASK:

- What power do I have?
- What power is held by others?

WHAT POWER DO I HAVE?

A good advocacy strategy begins with an analysis of your own power base. Where your power base is the means you have at your disposal to influence a change in the thinking or behaviour of others to achieve your advocacy objective. It is this self-power analysis that should guide the nature and timing of your advocacy interventions. The exploration of what power you have should include an in-depth understanding of the legislative framework (e.g. Constitution, local government legislations) you can invoke in your advocacy work.

Advocacy for Social Accountability

To effectively realise human rights and capabilities through the delivery of public services, civic actors need to ensure the establishment and implementation of several social accountability processes by state departments and private service providers responsible for the management of public resources. One of the ways in which civic actors can influence the establishment and implementation of the social accountability processes is by undertaking evidence-based advocacy. The advocacy strategies undertaken by civic actors may vary widely but in order to give effect to the right to social accountability, it is critical that civic actors undertake their advocacy strategies from a rights-based approach.

Advocacy is the pursuit of influencing outcomes that directly affect people’s lives –including public policy and resource allocation decisions within political, economic, and social systems and institutions.


WHAT POWER IS HELD BY OTHERS?


Reformers must map out the who, what and how of their government-specific power relationships they need to be able to tell who decides (decision makers) on what do they decide on (issues), and how decisions are made (process, timelines) and lastly, how decisions are enforced, implemented and evaluated (monitoring).



explain what strategies and tactics are in relation to advocacy.

Use personal experiences to better articulate the terms to the participants.

 An advocacy strategy is a plan to achieve an advocacy goal.

 Advocacy tactics are actions that achieve the plan.

As reformers, you need to identify a service delivery issue to engage your local municipality on. You also need to organise and mobilize your community around that issue. Furthermore, you need to source relevant information on the service delivery issue to assist you and the community group to understand the facts about that service delivery issue.

Analyse municipal plans and budgets, and service delivery implementation reports. And develop an advocacy strategy relating to their service delivery or governance issue in their municipality.

LIST OF REFERENCES AND RESOURCES

For a comprehensive list of references and resources complementing this guide as well as presentation templates – [access this folder](#).

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This training manual is produced as part of the Action for Accountability Project (A4A), co-funded by the European Union (EU) and Social Justice Initiative (SJI) and aimed at enhancing public service accountability and good governance in South Africa through citizen-led action and greater openness and transparency.



For any queries related to this training manual, please contact:

The Public Service Accountability Monitor

16B Prince Alfred Street

Rhodes University

Makhanda

Eastern Cape

South Africa

6140

Tel: 046 603 8358

Fax: 046 603 7578

Email: psam-admin@ru.ac.za