
Government of Ghana



**MINISTRY OF LOCAL GOVERNMENT AND RURAL
DEVELOPMENT**

**FUNCTIONAL & ORGANISATIONAL
ASSESSMENT TOOL (FOAT)**

OPERATIONAL MANUAL

September, 2010

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List of Abbreviations

AAP	Annual Action Plan (district level)
ARIC	Audit Report Implementation Committee
CB	Capacity Building
CBG	Capacity Building Grant
CIDA	Canadian International Development Agency
DACF	District Assemblies' Common Fund
DANIDA	Danish International Development Assistance
DCD	District Coordinating Director
DCE	District Chief Executive
DDF	District Development Facility
DESSAP	Development of Environmental Sanitation Sub-Sector Strategy and Action Plan
DPCU	District Planning Coordinating Unit
FOAT	Functional and Organisational Assessment Tool
GAS	Ghana Audit Service
IGF	Internally Generated Funds
ILGS	Institute of Local Government Studies
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
LGA	Local Government Act
LGSS	Local Government Service Secretariat
LI	Legal Instrument
M&E	Monitoring and Evaluation
MCs	Minimum Conditions
MLGRD	Ministry of Local Government and Rural Development
MMDAs	Metropolitan, Municipal and District Assemblies
MoFEP	Ministry of Finance and Economic Planning
MTDP	Medium Term Development Plan (district level)
NALAG	National Association of Local Authorities in Ghana
NAT	National Assessment Team
NDPC	National Development Planning Commission
OM	Operation and Maintenance
PBGS	Performance Based Grant System
PMs	Performance Measures
RPCU	Regional Planning Coordinating Unit
SC	Steering Committee
TWG	Technical Working Group

1. INTRODUCTION

1.1 Background

The Government of Ghana as part of its efforts to improve the performance of the District Assemblies in terms of efficiency, accountability and delivery of basic community services has introduced a performance base grant system. Under the system, the District Assemblies are assessed on agreed indicators on a yearly basis using the Functional Organisational Assessment Tool (FOAT). Assemblies that perform well in the FOAT assessment are rewarded with financial resources from the District Development Facility (DDF) that will increase their discretionary funding.

The objectives of the FOAT are to:

- Provide incentive for performance for complying with the legal and regulatory framework
- Identify performance capacity gaps of the MMDAs
- Establish a link between performance assessments and capacity building support

1.2 The Purpose and Users of this Manual

This Manual seeks to ensure an efficient and transparent assessment of the performance of the District Assemblies by providing operational guidance for the management, implementation and administration of the FOAT. It outlines the principles, processes and indicators of the assessment.

The target groups for this manual are:

- Staff of sector ministries involve with the management of the DDF/FOAT
- The MMDAs who are being assessed
- Assembly Members who are to ensure accountability in the utilization of the fund resources
- Staff of the Regional Coordinating Councils who are to provide technical backstopping to and monitoring of the MMDAs
- Development Partners who are contributing to the DDF
- Civil Society and the general public interested in the performance of the MMDAs
- Consultants involve with the assessment of the MMDAs
- Members of Parliamentary Select Committee on Local Government

2.0 The FOAT Process

2.1 Guiding Principles

The following principles apply to the FOAT and the Assessment Process:

- The MMDAs are strictly assessed against their legal obligations and issues that fall within their direct span of control; Consequently, all indicators are anchored in existing legal, regulatory and policy frameworks
- The indicators acknowledge the specific legal, political, administrative and fiscal environment in which MMDAs operate
- The indicators capture both the administrators and the elected representatives in the MMDA structure
- In order to minimise discretion in the assessment process, the indicators are objectively verifiable and simple to assess
- The assessment process facilitates a clear translation of identified capacity building needs into corresponding institutional strengthening requirements
- The assessment process ensures that capacity building is fully integrated into the budgeting cycle of the MMDAs

2.2 The Processes

The actual assessment is broken down into Minimum Conditions (MCs) and Performance Measures (PMs).

2.2.1 Minimum Conditions (MCs)

The MCs are those conditions that an MMDA needs to fulfil in order to qualify to access the Basic Grant component of the DDF. The MCs are formulated under the following five sub-themes:

- Development Planning
- Financial Management and Accounting
- Public Procurement
- Implementation Capacity
- Functioning of the General Assembly

The MCs to be fulfilled are as follows:

- Functional District Planning Coordinating Unit (DPCU)
- Annual Action Plan (AAP) formulated
- Annual Statement of Accounts prepared
- No adverse audit comments bordering on dishonesty
- Procurement plan prepared
- Minimum number of General Assembly meetings held
- Progress reports submitted on Implementation of AAP

See Annex 1 for the details.

2.2.2 Performance Measures (PMs)

The PMs are those conditions that will be used to determine each MMDA's allocation of the DDF's performance grant. The PMs involve detailed indicators to measure performance are classified under nine sub-themes as follows:

- Management and Organisation
- Transparency, Openness and Accountability
- Planning System
- Human Resource Management
- Relationship with sub-district structures
- Financial Management and Auditing
- Fiscal Capacity
- Procurement
- Environmental Sanitation Management

A summary of the thematic areas and the maximum scores that can be obtained is presented in Table 1. The scoring system for each indicator ranges from zero (0) to three (3).

Table 1: Summary of Scores for each Thematic Area

Performance Measures	Maximum Score
Management and organisation	10
Transparency, openness and accountability	12
Planning system	15
Human resource management	7
Relationship with sub structures	6
Financial management and Auditing	15
Fiscal capacity	15
Procurement	12
Environmental Sanitation Management	8
Total	100

See Annex 1 for more details.

3.0 THE ASSESSMENT PROCESS

There are three main activities in the assessment processes, and they can be classified as follows:

- Pre-assessment activities
- The actual assessment activities
- Post-assessment activities

3.1 The Pre-assessment activities

Activities to be done include:

- Procurement of the Consultants through a competitive bidding process as prescribed in the Public Procurement Act, 2003 Act 663
- Orientation of the Consultants on the indicators, scoring and reporting formats
- Orientation of the MMDAs on the indicators
- Communicate to MMDAs on the timing of the assessment, the specific documents required for the assessment and the indicators a month before the Consultants start the assessment
- A month before the assessment obtain all reports from central agencies which are required by the assessment teams

3.2 The actual assessment activities

The assessment is conducted on the agreed indicators on the nine thematic areas. Details of the indicators are described in Annex 1. Activities to be done for the actual assessment include:

- Consultants undertake a three day assessment in each MMDA assigned to them
- Consultants are to hold introductory meeting with key district officials including at least the District Chief Executive (DCE), the District Coordinating Director (DCD) and Presiding Member (PM). The purpose of the meeting is to set the agenda and agree on the time schedule for the assessment
- Monitoring by the DDF Secretariat to conduct quality verification as part of quality assurance of the work of the consultants

Identification of Capacity Building Needs

Derivation of capacity building needs of the MMDAs is a key element of the FOAT exercise. As part of the assessment of the MCs and PMs, the Assessment Consultants will assist the MMDAs to determine their capacity building (CB) needs through the following steps:

- Identify logistics, skills and organisational gaps based on the FOAT
- Explore further to establish the specific capacity implications
- Identify CB needs in relation to various indicators
- Record in the appropriate indicator column
- Document all the capacity needs in the format provided

- Debrief MMDA leadership on the outcome of the assessment

Following the annual FOAT assessment, each MMDA will ensure that the demand driven capacity building needs form an integral part of the Annual Action Plan for implementation the following year when the allocations are communicated to them by MLGRD. This process implies that demand driven capacity building needs identified by the assessment of any particular year will be planned for implementation in the following year.

At the end of the assessment, the Overall Team Leader (lead consultant) will prepare and submit a report to the DDF Secretariat on each of the assigned MMDAs using the format provided. See Annex 2 (A – I) for details for the formats.

The Assessment Report Form must be signed by the DCE, DCD, and the Team Leader of the Assessment Consultants irrespective of the outcome of the assessment. The Assessment Report will include an explicit reference to the nature and substance of any disagreement.

3.3 Post-assessment activities

3.3.1 Verification of the assessment reports submitted by consultants

The DDF Secretariat, upon the receipt of the FOAT reports from the consultants, will verify the accuracy and consistency of the responses to the indicators.

3.3.2 Notification of assessment score

The Minister, through the DDF Secretariat will provide official notification of assessment scores to all MMDAs, following receipt and verification of all reports.

3.3.3 Processing of complaints from MMDAs by the MLGRD.

Complaint Procedures

Where an MMDA is not satisfied with the outcome of the assessment, a complaint should be submitted to the Minister, MLGRD through the Coordinator, DDF Secretariat (MLGRD) not later than two weeks following receipt of notification of official scores.

When submitting the complaint, the MMDA must enclose any relevant documentation in support of the issues in question. A Complaints Resolution Committee will review and examine the complaint and recommend action to be taken on the complaints.

Composition of Complaints Resolution Committee:

- Representative from MLGRD
- Representative of NALAG

- Representative of Regional Coordinating Council (respective)
- Independent Expert in the area of concern
- DDF Coordinator
- DP funding representative

Based upon the report from the Complaints Resolution Committee, the DDF Secretariat will prepare a full report of all complaints and the outcome thereof for the consideration of the Steering Committee and the necessary action shall be taken within one month after receipt of the complaint.

The examination of the complaint will lead to one of the following results:

1. Correction of errors
2. Re-assessment in case of laxity by the assessment team
3. Rejection of the complaint

3.3.4 Consolidation of FOAT results

Following the verification and subsequent submission of the final reports by the consultants, the results and capacity building needs of the MMDAs will be consolidated by the DDF Secretariat with the support of the Technical Working Group.

3.3.5 Consolidation of capacity building needs by LGSS

Upon verification of results by the DDF Secretariat, the LGSS will consolidate and harmonise the capacity building needs of all the MMDAs and prepare a mandatory (generic) capacity building plan and budget for review and approval by the Steering Committee.

3.3.5 Preparation of Consolidated Assessment Report

The DDF Secretariat will prepare a FOAT Consolidated Report based on the results and the reports received from the Consultants.

3.3.6 Submission and approval of the FOAT Results by the Steering Committee

The consolidated FOAT report and copies of individual assessment reports of all MMDAs will be submitted by the DDF Secretariat for the consideration of the TWG and subsequently for the Steering Committee's approval

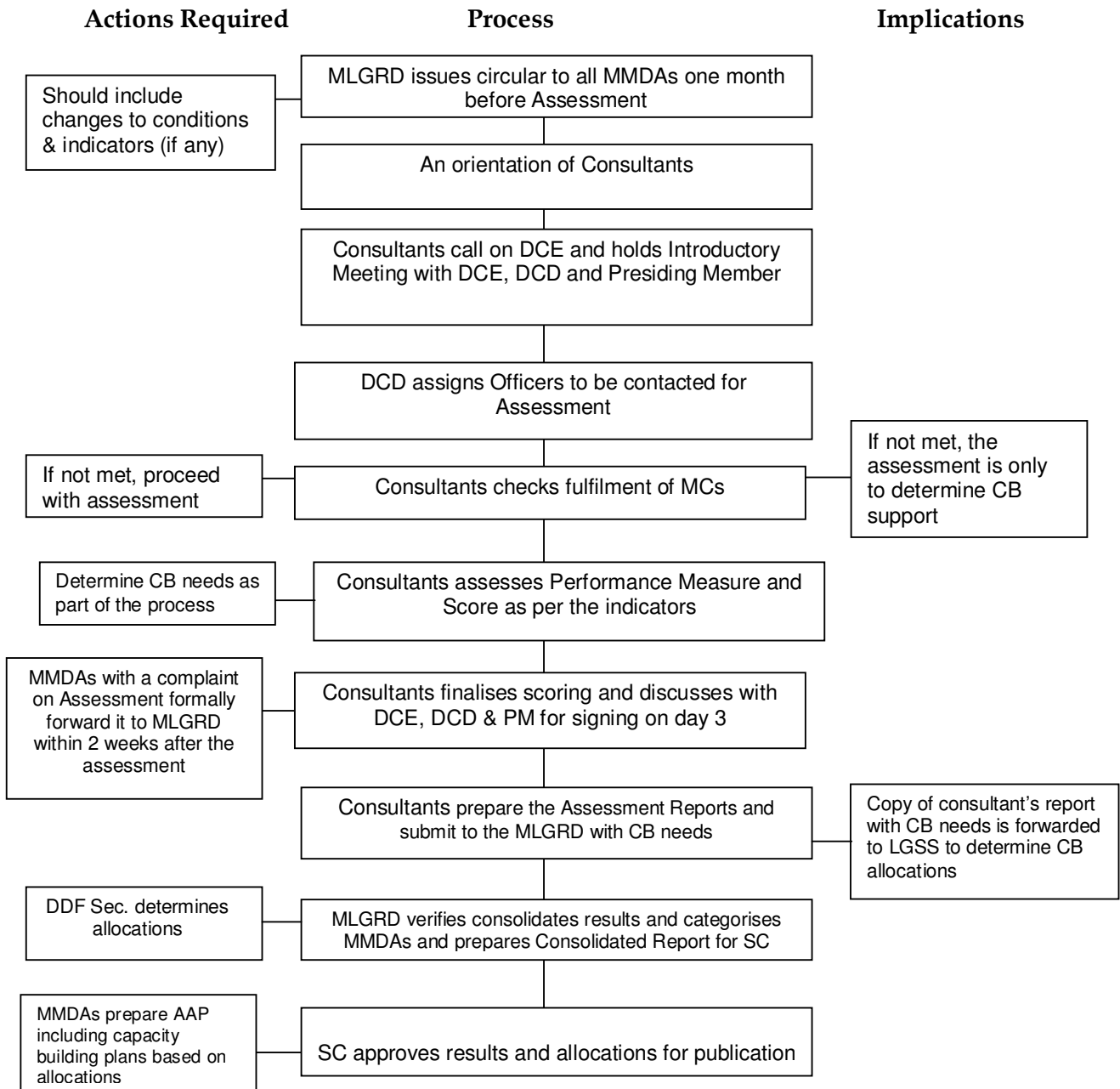
3.3.7 Dissemination to the MMDAs of the approved FOAT results

Each of the assessed MMDAs will receive a copy of their assembly's final report.

3.3.8 Public dissemination of the FOAT results and corresponding DDF allocations.

To ensure transparency and accountability of the assessment system, and to increase stakeholders' involvement, the MLGRD will publish the FOAT results and the corresponding DDF allocation in the national dailies.

4.0 FLOW CHART OF THE ASSESSMENT PROCESS



5.0 FOAT MANAGEMENT AND ADMINISTRATION

5.1 *The Steering Committee*

The Steering Committee will be responsible for the overall management of both the DDF and the FOAT.

The Minister of Local Government and Rural Development (MLGRD) will chair the Steering Committee (SC) with the following institutional representatives:

- Ministry of Local Government and Rural Development (MLGRD)
- Ministry of Finance and Economic Planning (MOFEP)
- National Development Planning Commission (NDPC)
- Local Government Service Secretariat (LGSS)
- District Assemblies' Common Fund (DACF)
- National Association of Local Authorities in Ghana (NALAG)
- Civil Society (LOGNET)
- The Coordinator, DDF Secretariat
- DPs supporting the co-financing agreement on DDF (non-voting members)
- Institute of Local Government Studies (ILGS)
- Office of Head of Civil Service

The Ghana Audit Service and the Controller and Accountant General's Department shall be ex-officio members of the Committee.

5.1.1 Responsibilities of the Steering Committee

The responsibility of the SC will be to:

- Provide overall policy guidance and directives for the implementation of the FOAT Assessment
- Review the merits of MMDAs complaints on the assessment and determine the action to be taken, based on the recommendations of the DDF Secretariat
- Approve FOAT results and DDF allocations and ensure their publication
- Consider remedial actions in case of weaknesses of the system
- Review reports of the relevant institutions
- Endorse Work Plan and budgets for the management and implementation of the FOAT Assessment

The SC will have two regular meetings per year. The DDF Secretariat of MLGRD will serve as the secretariat of the SC. The Secretariat headed by the DDF Coordinator will be supported by a Technical Working Group (TWG) made up of representatives from the following institutions:

- Ministry of Local Government and Rural Development (MLGRD)
- Institute of Local Government Studies (ILGS)

- Ministry of Finance and Economic Planning (MOFEP)
- Local Government Service Secretariat (LGSS)
- Management Services Division (MSD) of OHCS
- Controller and Accountant General's Department (CAGD)
- Ghana Audit Service (GAS)
- National Development Planning Commission (NDPC)
- Development Partners (co-financing partners)
- Development Partners providing technical assistance
- National Association of Local Authorities of Ghana (NALAG)

The responsibilities of the TWG will be to provide technical backstopping to the DDF Secretariat and make recommendations on policy issues to the SC. This would include FOAT related issues:

- Support the DDF Secretariat to collate and analyse the FOAT data
- Assist in reviewing consultants' technical and financial FOAT proposal
- Assist in the orientation of the selected FOAT consultants
- Assist in the review of the FOAT indicator list
- Other areas as needs arise

5.1.2 DDF Secretariat

- Manage the procurement process for the recruitment of the Consultants to undertake the FOAT assessment
- Organise and facilitate orientation sessions of the Consultants prior to the assessment
- Monitor the work of the Consultants in the field to conduct quality assurance
- Organise and facilitate orientation sessions for the MMDAs on the FOAT indicators
- With the support of the TWG provide the data from FOAT assessment on CB needs to LGSS
- Inform the district assemblies about their demand-driven capacity building gaps identified

5.1.3 Local Government Service Secretariat

- Collate and consolidate capacity building needs from the FOAT assessment data
- Identify generic training needs of MMDAs based on the FOAT assessment and prepare workplan and budget proposal

6.0 MONITORING, REPORTING AND REVIEW PROCESS

Monitoring, reporting and review processes of the FOAT will consist of the following:

- Composition and operation of a field monitoring team to provide for quality assurance during the assessment
- Periodic review of the assessment indicators and the FOAT process
- Establishment and annual update of a FOAT database
- Periodic analysis of FOAT data for reference, comparison and decision making

7.1 Monitoring Schedule

Table 7.1: Monitoring Schedule

Activity	Responsibility	Timeline	Recipient
Preparation of TOR	DDF Secretariat	2 months before assessment	Monitoring Team
Constitution of Monitoring Team	DDF Secretariat	1 month before assessment	Monitoring Team
Preparation of a Monitoring work plan.	Monitoring Team/DDF Secretariat	2 weeks before assessment	Monitoring Team
Conducting orientation sessions	DDF Secretariat	1 weeks before assessment	Monitoring Team
Undertake Field Monitoring	Monitoring Team	During assessment	Steering Committee
Preparation and collation of monitoring reports	Monitoring Team	In time for the verification review of consultants reports	DDF Secretariat
Submission of monitoring findings	DDF Secretariat	First SC meeting after assessment	Steering Committee

Annex 1: Outline of Minimum Conditions and Performance Measures (this information is valid for 2009 FOAT assessment)

Minimum Conditions

Minimum Condition	Indicators of Minimum Condition	Information Source and Assessment Procedure
Functional Capacity in Development Planning	Establishment of a DPCU based on the Guidelines for the Operationalisation of DPCUs & RPCUs, 2004	From the District Coordinating Director (DCD) obtain information on membership and minutes of the quarterly meetings as well as invitation letters to members of the DPCU. If minimum of 80% of members have met and minutes duly recorded, the MC is fulfilled. (Section 2.2 of Guideline for Operationalisation of DPCUs & RPCUs)
	Annual Action Plan has been formulated on the basis of the MTDP	From DCD receive a copy of the 2009 Annual Action Plan (AAP) prepared for implementation of the MTDP to verify link between MTDP and the AAP. If plan is prepared and 70% of the programmes and projects in the AAP conform to MDTP, the MC is fulfilled. (Section 7.10 of Draft NDPC Guidelines on the preparation of the MTDP)
Functional Capacity in Financial Management and Accounting	Annual Statement of Accounts prepared and submitted according to the Financial Administration Regulation LI1802/Financial Administration Act, 654	From the DCD obtain information on whether the Annual Statement of Accounts for 2009 has been prepared and submitted by the 31 st March 2010. If this has been done, the MC is fulfilled. (Financial Administration Regulation and the Financial Administration Act)
	No adverse comments bordering on dishonesty in the Audit Report.	From the DCD receive a copy of the Auditor General's Management Letter for 2008 audited accounts. If no adverse comments bordering on dishonesty have been reported, the MC is fulfilled. ***
Functional Capacity in Procurement	District procurement plan available and prepared based on Public Procurement Authority Guidelines Act 663 of 2003	From the DCD receive information on the preparation and approval of the 2009 Procurement Plan by 30 th November 2008. If this follows the PPA guidelines, then MC is fulfilled. (Part III Section 21, Sub section 1, PPA 663, 2003 on the preparation of procurement plan)
Functional Capacity of Assembly	Assembly meeting according to minimum demands	From the DCD receive a copy of the minutes of meetings of the General Assembly held in 2009. If the assembly has met at least three times and minutes duly recorded in 2009, the MC is fulfilled. (Section 18 of Local Government Act, Act 462)
Plan Implementation Capacity	Progress Reports on the implementation of activities in the Annual Action Plan	From the DCD obtain information whether the MMDA has submitted quarterly and annual composite progress reports on the implementation of the 2009 Annual Action Plan to the Regional Coordinating Council (RCC). If the quarterly reports for 2009 have been prepared and submitted by the 15 th of April, July and October and the annual report prepared and submitted before the 28 of February 2010, the MC is fulfilled. (NDPC District M&E guideline 2009)

*** Examples bordering on dishonesty are embezzlement, misappropriation, over invoicing for purchasing, inflation of contract sums

PERFORMANCE MEASURES (PMs)

PMs	Indicators	Information source, Assessment basis and Scoring	Max Score	Scoring
Management and Organisation	Meetings of the political structure:	From the DCD receive and review the composition, attendance and minutes of the meetings:		
Total Score - 10	a) Executive Committee/Authority (EC/A)	a) If at least a meeting of the EC/A was held prior to each of the three mandated General Assembly meetings in 2009 and minutes duly recorded, score 2, else score 0 (Section 19 of the Local Government Act, Act 462)	2	
	b) Sub-committees of the Assembly	b) If each of the 5 Statutory Sub-committees held at least one meeting prior to each of the three meetings of the EC/A in 2009 and minutes are recorded, score 2, else score 0 (Section 24 of the Local Government Act, Act 462)	2	
	c) District Security Committee	c) If District Security Committee held quarterly meetings in 2009 and minutes duly recorded, score 1, else score 0	1	
	Accessibility of offices to the physically challenged	From the DCD receive information on plans and efforts that have been put in place since 2008 (plans and progress reports) to enhance access for the physically challenged to offices. If there is evidence of provision of access or efforts to provide access to the physically challenged, score 1 else score 0.	1	
	Regular management meetings	From the DCD, receive and review minutes of management (heads of decentralised departments+ DA core staff) meetings held in 2009. If management meetings were held at least quarterly and duly attended by at least 75% of heads of departments score 1, else score 0. If 2 of these quarterly meetings were held under the chairmanship of the Chief Executive score an additional 1, else score 0.	2	
	Follow up to management meetings	From the DCD, receive minutes of meetings and review follow up actions on decisions taken in 2009. If at least 75% or more of decisions have been implemented score 2, if 50-74% score 1, below 50% score 0.	2	

Transparency, Openness and Accountability Total score - 12	Establishment and functionality of the Public Relations and Complaints Committee (PRCC)	<p>From the DCD receive information on the establishment, list of members (including a desk officer) and minutes of meeting of the PRCC.</p> <p>If PRCC established with a desk officer score 1, else score 0. If records of actions taken exist on complaints score an additional 1.</p> <p>(Section 27 of the Local Government Act, Act 462)</p>	2	
	Information to the Public	<p>From the DCD receive information on evidence of dissemination of the Assembly’s activities (e.g. available newsletters, letters of notice boards, receipt for radio discussions and announcements).</p> <p>If evidence of dissemination to public exist score 1, else score 0.</p>	1	
	Publication of annual statement of accounts (LGA Section 125)	<p>From DCD receive documentation of publication of the 2009 annual statement of accounts which should include the following:</p> <ul style="list-style-type: none"> • Balance sheet • Revenue and expenditure statement • cash flow statement • Notes to the account <p>If copies of 2009 statement of accounts have been given to DA members, score 1, and if published on notice board score an additional 2. If not, score 0.</p>	3	
	Availability of the External Auditor’s Report	<p>From DCD receive documentation on action taken on external audit report.</p> <p>If the latest audit report has been made available to the Presiding Member within 30 days score 2, else score 0.</p> <p>(Section 125 of the Local Government Act, Act 462)</p>	2	
	Publication of Annual Budget	<p>From DCD receive documentation of publication of draft annual budget.</p> <p>If the 2009 draft Budget was made available to DA members (despatch book) two weeks before Assembly meeting, score 1, if not score 0.</p> <p>(Part V, Section 40 of the Financial Memoranda, 2004 of the MLGRD)</p>	1	
	Submission of Monthly Financial Statement.	<p>From DCD receive documentation on submission of monthly financial statements. (I.e. trial balance, revenue & expenditure statement and balance sheet.)</p>	3	

		<p>If 12 monthly financial statements for 2009 have been submitted to the F&A Sub-committee within 15 days after the month to which they relate, score 3, else score 0.</p> <p>(Part VII, Section 75 of the Financial Memoranda, 2004 of the MLGRD)</p>		
<p>Planning system Total score - 15</p>	<p>Involvement of key stakeholders in plan implementation and monitoring</p>	<p>From DCD receive and review implementation reports on non-physical programmes (e.g. sensitisation, capacity building and extension services) identified in the 2009 Annual Action Plan.</p> <p>If minutes or records exist for participation by key stakeholders (beneficiaries, DA staff and service providers) in 80-100% of the non-physical programmes exist for 2009, score 1, else score 0.</p> <p>(Section 5 of NDPC M&E Guideline 2009)</p>	1	
		<p>From DCD receive monitoring reports on physical projects identified in the Annual Action Plan.</p> <p>If minutes or records of participation by key stakeholders (beneficiaries, DA staff and contractor) exist for more than 75% of the monitoring undertaken in 2009, score 1, else score 0.</p>	1	
	<p>Level of plan implementation</p>	<p>From DCD obtain information on projects in the Annual Action Plan for 2009.</p> <p>If 75% or more of the total number of projects in the Annual Action Plan have been implemented or are being implemented, score 2. If 50%-74% score 1, If less than 50% score 0.</p>	2	
	<p>Internal monitoring and evaluation of plan implementation</p>	<p>From DCD receive minutes of quarterly composite (district administration and departments) review meetings on planning, implementation and monitoring.</p> <p>If review meetings have been held within the framework of the M&E system with 4 meeting minutes available, score 2, if 3 meeting minutes score 1, if less than 3 meetings score 0.</p> <p>(Section 3.3 of NDPC M&E Guideline 2009)</p>	2	
	<p>Linkage between planning and budgeting</p>	<p>From DCD obtain information on the annual plan and budget for 2009 and establish the linkage between the two documents.</p> <p>If 80% or more of investment budgetary estimates conforms to the annual plan score 1, else score 0.</p>	1	

	Work planning by departments	From the DCD receive copy of departments' annual action plans and review these in line with the MTDP. If 90% or more decentralised departments' projects and programmes are integrated into the AAP score 2, if 80-89% score 1, else score 0.	2	
	Socio economic data collection and management	From DCD receive information about databank of the Assembly If there is a consolidated databank (2007-2009) of the district for revenue potential and data from health, education, roads, water and sanitation and agriculture departments exists score 2, if not score 0.	2	
	Support to the poor and vulnerable	From DCD receive information on programmes for the poor and vulnerable (Women, Children, Aged, Disabled and People Living with HIV/AIDS). If 20% or more of the projects in the AAP focus specifically on the poor and vulnerable score 2, if between 10-19%, score 1, if less than 10%, score 0.	2	
	Gender Mainstreaming	From the DCD find out if the assembly has initiated or implemented programmes aimed at bridging gaps between males and females. Score 1 for indications of interventions related to promoting women's and marginalised groups' advancement into public office and leadership development. Score an additional 1 for the availability of a district plan based on a gender profile or other reliable basis for programme formulation and implementation.	2	
Human Resource Management Total max. score 7	Overall vacancy level	From DCD receive a copy of the actual staff ledger of the Assembly's central administration and the decentralised departments for 2009. If the ledger is available, score 1. If evidence of efforts (letters) to fill vacancies also exist, score an additional score 1. (Office of Head of Civil Service Guidelines)	2	
	Staff development	From DCD receive copy of training needs assessment for the Assembly's central administration and heads of decentralised departments. If training needs assessment was done for 2009, score 1, else score 0. (Office of Head of Civil Service Guidelines)	1	

	Training and capacity building	<p>From the DCD receive a copy of the staff capacity building plan prepared for implementation in 2009 and accompanying implementation capacity building reports.</p> <p>If the staff capacity building plan (including those identified from FOAT) is available and based on TNA score 2, else score 0.</p> <p>If 60% or more of programmes in the plan has been implemented, score an additional 2</p>	4	
Relationship with sub structures Total max. score 6	Revenue sharing between Assembly and sub structures (transfer to SDs 50% of ceded revenues collected in sub structures)	<p>From the DCD, obtain information (payment voucher/receipts) on transfer or remittance of 50% of revenue collected to sub structures on behalf of the District Assembly.</p> <p>If the MMDA has evidence on remittance of funds to 50% or more of sub structures score 3, else score 0.</p> <p>(Legislative Instrument 1967)</p>	3	
	Extent to which sub district structures have been mandated to perform functions outlined in LI 1967	<p>From the DCD, receive copy of document (letter) of mandated functions to be performed by the sub structures if this is available score 1</p> <p>Progress report of implementation of mandated functions, and the extent to which these functions are being performed, score 2</p> <p>(Legislative Instrument 1967)</p>	3	
Financial Management and Auditing Total max. score 15	Functionality of Budget Committee	<p>From the DCD receive information on the composition and functionality of the Budget Committee.</p> <p>If Budget Committee is functional and minutes of 4 meetings are available, score 1 or else score 0.</p> <p>(Section 150 Financial Administration Regulations LI 1802)</p>	1	
	Compliance with budgetary provisions.	<p>From the DCD obtain information on the annual expenditure returns of the Assembly.</p> <p>If annual expenditure returns are kept within budgeted estimates, score 1, else score 0.</p> <p>If expenditures returns relates to items in the approved budget, score an additional 1</p>	2	

		(Financial Memoranda issued by MLGRD 2004)		
	Procedure for funds disbursement	<p>From the DCD obtain information on the process of disbursing funds for IGF, DACF, HIPC, Health Fund, DDF, GETFund and Donor Funds for specific projects.</p> <p>If disbursements have been done according to procedures for utilisation of IGF, HIPC, DACF, Health Fund, GETFund, DDF and Donor Funds score 1 else score 0.</p> <p>(Guidelines from Administrators of various funds)</p>	1	
	Approval of the budget	<p>From the DCD obtain minutes of Assembly meetings for the approval of the 2009 budget.</p> <p>If the budget was presented by the Executive committee to the General Assembly for approval in time (latest by 30th November 2008), score 2 else score 0.</p> <p>(Section 11 of the Local Government Act, Act 462)</p>	2	
	Estimation of revenue from fees and licences	<p>From the DCD obtain information on the basis for estimation of revenue from fees and licences (data on target group e.g. chop bars, drinking bars etc.)</p> <p>If estimation was based on data provided score 1, else score 0.</p> <p>(Schedule 6 and Section 86 of the Local Government Act, Act 462) (Financial Memoranda issued by MLGRD 2004).</p>	1	
	Board of Survey	<p>From the DCD, obtain report of the Board of Survey for 2009 on both stores and funds.</p> <p>If Board of Survey was conducted not later than 31st December 2009 and report available, score 2, else score 0</p> <p>(Section 30 of Part X and Section 50 of Part XII of Financial Memorandum issued by MLGRD 2004)</p>	2	
	Prompt responsiveness to external audit queries	<p>From DCD obtain evidence on queries from the latest management letter on external audit report and whether the report has been submitted to the Audit Report Implementation Committee and actions taken on the queries.</p> <p>If report submitted to ARIC within 30 days of receipt of management letter, score</p>	2	

		<p>1 else score 0. If report has been acted on (status report) within 30 days, score an additional 1, else score 0</p> <p>(Section 121 of the Local Government Act, Act 462, 1993) (Part 3, section 29 of Audit Service Act , Act 584, 2000)</p>		
	Functionality of Internal Audit Unit	<p>From the DCD obtain quarterly internal audit reports submitted to the Presiding Member/ARIC of the Assembly.</p> <p>If this has been done on a quarterly basis score 2, else score 0.</p> <p>(Section 120 of the Local Government Act, Act 462)</p>	2	
	Responsiveness to the internal audit observations	<p>From the DCD obtain evidence on the comments of the internal audit report, the Chief Executive’s decision on the report and implementation of the recommendations.</p> <p>If the Chief Executive has acted on the recommendations in the 4 internal audit reports score 2, else score 0.</p>	2	
<p>Fiscal Capacity; Total max. score 15</p>	Absolute Size of IGF	<p>From the DCD obtain information on average annual growth in IGF between 2008 and 2009.</p> <p>If growth has been higher than 20%, score 3 If growth has been 10% - 19%, score 2 Or else score 0. (Please show basis for calculation in the report)</p>	3	
	Efforts to improve Internally Generated Fund (IGF)	<p>From the DCD obtain a copy of the Revenue Improvement Action Plan.</p> <p>If the plan is available score 2. If 75% of the activities in the plan have been implemented accordingly, score an additional 2.</p>	4	
	Collection cost of Internally Generated Fund (IGF)	<p>From the DCD obtain information on the collection cost of IGF. If the collection cost of IGF is less than 30% of the total IGF score 2, else score 0.</p> <p><i>Observe the following and sum up to arrive at the cost of revenue collection:</i></p> <ul style="list-style-type: none"> - <i>Salaries of revenue staff on central government payroll</i> - <i>Commission received by revenue collectors</i> - <i>Cost of value books used</i> 	2	

	Share of Internally Generated Fund (IGF) used for Development Expenditure	From the DCD obtain information from the trial balance on the use of the IGF for development (investment) and maintenance from the Assembly's internal revenue sources. If at least 15% or more of the IGF was spent on investment and maintenance in 2009, score 2. If 10%-14% score 1, else score 0.	2	
	Operation and maintenance plan	From the DCD obtain information on the percentage of the budget for operation and maintenance as against capital budget. If there is a plan for O&M score 1. If the percentage for O&M is 10% or higher score an additional 1.	2	
	Preparation of Asset Registers	From the DCD obtain a copy of the Asset Register. If the Register is available score 1, if it has been updated in 2009, score an additional 1. (Financial Memoranda 2004, Part XII Section 64)	2	
Procurement; Total max. score 12	Meetings of Procurement Entities	From the DCD obtain information on minutes of meetings of the Tender Committee. If the Tender Committee met quarterly and have suitable minutes, score 3, else score 0. (Section 17-20 of Public Procurement Act, Act 663)	3	
	Record on procurement processes	From the DCD obtain information on the record of procurement processes If done according to the Act, score 3, else score 0. (Section 28 of Public Procurement Act, Act 663).	3	
	Quarterly update of procurement plan	From the DCD obtain information on whether the procurement plan has been updated quarterly. If done score 1, else score 0. (Section 21 of Public Procurement Act, Act 663)	1	
	Contract Mobilisation	From the DCD obtain information on all contract mobilisation paid in 2009. If mobilisation payments are within 15% of the contract sum and bonds have	1	

		been secured score 1, else score 0 (Part IX Section 69 and 70 of the Financial Memoranda)		
	Contract management	Obtain from the DCD the percentage of projects completed on schedule for 2009. (Examine contracts file or register) If 80% or more projects have been completed on schedule in 2009 score 3. If 60-79% have been completed score 1. If less score 0.	3	
	Contract Retention	From the DCD obtain information on contracts completed in 2009. If the minimum of 10% retention was withheld and fully released after the defect liability period (normally not less the six months) score 1, else score 0. (Part IX Section 72 of the Financial Memoranda)	1	
Environmental Sanitation Management Total Max. Score 8	Development of Environmental Sanitation Sub-Sector Strategy and Action Plan (DESSAP)	From the DCD obtain a copy of the DESSAP. If the plan was prepared score 1, score an additional 1 if provision was made for 2009 activities in the Assembly’s 2009 Annual Work Plan and Budget for the implementation, if 75% of the activities were implemented score an additional 1. (National Environmental Sanitation Policy 1999)	3	
	Data on environmental facilities	From the DCD find out if data exist on environmental facilities (latrines, dumping sites, urinal etc.). If data on the facilities exist and was updated in 2009 score 2, else score 0. (National Environmental Sanitation Policy 1999)	2	
	Market Facilities	From the DCD obtain information on available market facilities i.e. place of convenience (latrines and urinals), solid waste disposal facilities (waste containers and litter bins) in the main market. If a place of convenience exists in the market, score 1 If containers and litter-bins are in place for solid waste disposal in the market score 2. (National Environmental Sanitation Policy 1999)	3	

Annex 2: Reporting Formats

A. AVAILABILITY OF DOCUMENTS DURING ASSESSMENT

Name of MMDA: Zone:.....

Date of Assessment:.....

MINIMUM CONDITIONS

Thematic Areas	Needed Documents	Tick if available
Functional Capacity in Development Planning	Membership and minutes of meetings of the Functional DPCU	
	2009 Annual Action Plan	
Functional Capacity in Financial Management and Accounting	2009 Annual Statement of Accounts	
	Auditor's report on the last audited accounts.	
Functional Capacity in Procurement	Procurement Plan for 2009	
Functional Capacity of Assembly	Minutes of meetings of the General Assembly for 2009	
Project Implementation Capacity	Quarterly and Annual Progress Reports on the implementation of projects in the 2009 Annual Action Plan	

PERFORMANCE MEASURES

Thematic Area	Needed Documents	Tick if available
Management and Organisation	Minutes of meetings of the Executive Committee (EC)	
	Minutes of meetings of the statutory sub committees of the EC	
	Minutes of meetings of the District Security Committee	
	Minutes of management (heads of departments+ DA core staff) meetings during the last fiscal year	
Transparency, Openness and Accountability	List of members (including a desk officer) and minutes of meetings of the Public Relations and Complaints Committee	
	Annual report on the MMDA's activities for the previous year.	
	Annual statement of accounts	
	Latest external auditor's report	
	Monthly financial statements	
Planning System	Despatch book	
	Implementation Report for the previous year	
	Monitoring reports of previous years projects and programmes	
	Annual Plan and Budget	
	Minutes of half year composite review meetings on planning, implementation and monitoring of MTDP.	

	Reports on public hearings at sub district structure levels in connection with the preparation of Medium Term Development Plan	
	Last updated socio-economic databank	
	Gender profile of the MTDP	
Human Resource Management	Nominal Roll (Central administration and decentralised departments)	
	Establishment schedule	
	Copy of annual staff development plans	
	Copy of TNA	
	Capacity Building Plan and Implementation Report	
Relations with sub structures	Record of transfer of funds to sub district structures	
	Documents indicating functions transferred and actually being performed by sub district structures	
Financial Management and Auditing	Composition and minutes of meetings of the Budget Committee	
	Monthly expenditure returns and incomes of the MMDA	
	Bank Reconciliation Statement	
	Monthly Trial Balance	
	Annual Balance Sheet	
	Annual Statement of Accounts	
	Board of Survey Report	
	Database on taxable units including property roll	
	Report on internal audit work carried out and submitted to the Presiding Member of the MMDA.	
	Minutes of Audit Review Implementation Committee meeting	
	Copies of ARIC implementation reports	
	Minutes of management meetings	
	Minutes of General Assembly meeting	
Fiscal Capacity	Monthly Trial Balances	
	Operation and maintenance plan	
	Revenue and expenditure records	
	Audited Accounts	
	Annual budget	
	Records of DACF Receipts	
Procurement	Document describing the procedure for inviting tenders	
	Progress Reports on the implementation of projects	
	Minutes of the procurement entities	
	Annual Procurement Plan and quarterly updates	
	Contracts Register/Certificates of Payments	
Environmental Sanitation Management	Development of District Environmental Sanitation Sub-Sector Strategy and Action Plan	
	Data on Environmental Sanitation Facilities	

B. FOAT - MINIMUM CONDITIONS

Name of MMDA: Zone:..... Date of Assessment:.....

Tick as appropriate

Minimum Condition	Indicators of Minimum Condition	Fulfilled	Not Fulfilled	Responses incl. Capacity Building Requirements (indicate source documents to support response)
Functional Capacity in Development Planning	Establishment of a Functional District Planning Co-ordinating Unit			
	Annual Action Plan has been formulated on the basis of the MTDP			
Functional Capacity in Financial Management and Accounting	Annual Statement of Accounts prepared and submitted according to the Financial Administration Regulation LI 1802 Financial Administration Act 2003 (Act 654)			
	No adverse comments bordering on dishonesty in the Audit Report			
Functional Capacity in Procurement	District procurement plan available and prepared based on Public Procurement Authority Guidelines Act 663 of 2003			
Functional Capacity of Assembly	Assembly meeting according to minimum demands			
Project Implementation Capacity	Quarterly and Annual Progress Reports on the implementation of activities in the Annual Action Plan			

C. FOAT - PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators for MANAGEMENT AND ORGANISATION	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support Response)
Meetings in the political management institutions: <ul style="list-style-type: none"> • Executive Committee (EC) 	2		
<ul style="list-style-type: none"> • EC Sub-committees 	2		
<ul style="list-style-type: none"> • District Security Committee 	1		
Accessibility of offices to the physically challenged	1		
Regular management meetings	2		
Follow up to management meetings	2		
SUB TOTAL	10		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: Zone:..... Date of Assessment:.....

Indicators for TRANSPARENCY OPENNESS AND ACCOUNTABILITY	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support response)
Establishment and appropriate work of the Public Relations and Complaints Committee (PRCC)	2		
Information to the Public	1		
Publication of annual statement of accounts	3		
Publication of latest auditor’s report (LGA Section 125)	2		
Publication of Annual Budget	1		
Publication of Monthly Financial Statement	3		
Sub total score	12		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators for the PLANNING SYSTEM	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support Response)
Involvement of key stakeholders in plan implementation or monitoring	2		
Level of plan implementation	2		
Internal monitoring and evaluation of plan implementation	2		
Linkage between planning and budgeting	1		
Work planning by departments	2		
Socio economic data collection and management	2		
Support to the poor and vulnerable	2		
Gender Mainstreaming	2		
Sub total score	15		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators for HUMAN RESOURCE MANAGEMENT	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support Response)
Overall vacancy level	2		
Staff development	1		
Capacity building Plan and Training	4		
Sub total score	7		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators for RELATIONSHIP WITH SUB STRUCTURES	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support Response)
Revenue sharing between Assembly and sub structures	3		
Extent to which sub district structures have been mandated to perform functions outlined in LI 1967	3		
Sub total score	6		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators for FINANCIAL MANAGEMENT AND AUDITING	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support response)
Functionality of Budget Committee	1		
Compliance with budgetary provisions.	2		
Procedure for funds disbursement	1		
Approval of the budget	2		
Estimation of revenue from fees and licenses	1		
Board of Survey	2		
Prompt responsiveness to external audit queries	2		
Functionality of an Internal Audit Unit	2		
Responsiveness to the internal audit observations	2		
Sub total score	15		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators of FISCAL CAPACITY	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support response)
Absolute Size of IGF	3		
Efforts to improve Internally Generated Fund (IGF)	4		
Collection cost of Internally Generated Fund (IGF)	2		
Share of Internally Generated Fund (IGF) used for Development Expenditure	2		
Operation and maintenance plan	2		
Preparation of Asset Registers	2		
Sub total score	15		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: Zone:..... Date of Assessment:.....

Indicators of PROCUREMENT	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support Response)
Meetings of Procurement Entities	3		
Record on procurement proceedings	3		
Quarterly update of procurement plan	1		
Contract Mobilisation	1		
Contract management	3		
Contract Retention	1		
Sub total score	12		Please transfer sub total score to composite score sheet

PERFORMANCE MEASURES

Name of MMDA: **Zone:**..... **Date of Assessment:**.....

Indicators of Environmental Sanitation Management	Maximum Total Score	Actual score	Responses incl. Capacity Building Requirements (indicate source documents to support Response)
Development of District Environmental Sanitation Sub-Sector Strategy and Action Plan	3		
Data on environmental facilities	2		
Market Facilities	3		
Sub total score	8		Please transfer sub total score to composite score sheet

D. SUMMARY SCORING SHEET FOR PERFORMANCE MEASURES

Name of MMDA: **Zone:**.....

Date of Assessment:

Performance Measures	Maximum Score	Actual Score
Management and Organisation	10	
Transparency, Openness and Accountability	12	
Planning System	15	
Human Resource Management	7	
Relationship with Sub Structures	6	
Financial Management and Auditing	15	
Fiscal Capacity	15	
Procurement	12	
Environmental Sanitation Management	8	
Total	100	

E. SUMMARY OF CAPACITY BUILDING REQUIREMENTS

Name of MMDA: **Zone:**.....

Date of Assessment:.....

MINIMUM CONDITIONS	Capacity Requirements
Functional Capacity in Development Planning	
Functional Capacity in Financial Management and Accounting	
Functional Capacity in Procurement	
Functional Capacity of Assembly	
Project Implementation Capacity	
Performance Measures	
Management and Organisation	
Transparency, Openness and Accountability	
Planning system	
Human Resource Management	
Relationship with Sub Structures	
Financial Management and Auditing	
Fiscal Capacity	
Procurement	
Environmental Sanitation Management	

F. COMPLAINT FORM

Name of MMDA: **Zone:**.....

Date of Assessment:.....

MINIMUM CONDITIONS	Specific Disagreements
Functional Capacity in Development Planning	
Functional Capacity in Financial Management and Accounting	
Functional Capacity in Procurement	
Functional Capacity of Assembly	
Project Implementation Capacity	
Performance Measures	
Management and organisation	
Transparency, Openness and Accountability	
Planning System	
Human Resource Management	
Relationship with Sub Structures	
Financial Management and Auditing	
Fiscal Capacity	
Procurement	
Environmental Sanitation Management	

G. Assessment Report

**MINISTRY OF LOCAL GOVERNMENT AND RURAL
DEVELOPMENT**

**FUNCTIONAL AND ORGANISATIONAL ASSESSMENT PROCESS
YEAR (.....)**

ASSESSMENT REPORT

NAME OF MMDA:.....

REGION:.....

PERIOD OF THE ASSESSMENT:.....

DATE OF SIGNATURES:

NAME OF DCE:.....

DCE's SIGNATURE:.....

NAME OF DCD:.....

DCD's SIGNATURE:.....

NAME AND SIGNATURE OF ASSESSMENT TEAM LEADER:

.....

ASSESSMENT TEAM MEMBERS (NAMES AND SIGNATURES):

.....

.....

H. CONTENT OF THE ASSESSMENT REPORT¹

1. Acknowledgement
2. Methodology used for the assessment
3. Summary of the results (fill in overview schemes for MCs and PMs and draw conclusions)
4. Summary of Capacity Building Requirements (analysed by region)
5. Challenges in the Assessment
6. Specific and General Comments to individual aspects of the Assessment Process (a summary of the most important comments during the assessment of the MCs and PMs)
7. Notification of disagreement with the outcome of the Assessment

Annex 1	Assessment of the Minimum Conditions
Annex 2	Scoring of the Performance Measures
Annex 3	Summary Scoring Table for Performance Measures
Annex 4	Summary of capacity building requirements (by districts and region)
Annex 5	Summary of Complaints
Annex 6	List of persons met (provide name and designation of persons)
Annex 7	List of documents consulted (from the checklist)

¹ **This format is to be used for district specific and consolidated reports**

