

uMGUNGUNDOVU DISTRICT MUNICIPALITY



PERFORMANCE MANAGEMENT POLICY FRAMEWORK

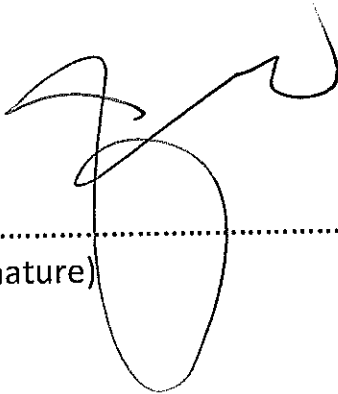
May 2015

APPROVAL OF THE PERFORMANCE MANAGEMENT POLICY FRAMWORK

Information contained in this Performance Management Policy Framework has been approved by Council

COUNCIL REPRESENTATIVE:

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29 June 2015
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(Date)

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1. PART ONE: APPROACH TO PERFORMANCE MANAGEMENT

1.1 DEFINITIONS

Annual Report	In relation to a Municipality means an annual report contemplated in section 121 of the Municipal Finance Management Act.
Balance Scorecard	Is a conceptual framework enabling an organization in clarifying its vision and strategy, thus effectively translating them into action. This performance management approach provides feedback around both the internal processes and external outcomes, essentially focusing on four indicators: Customer Perspective, Internal-Business Processes, Learning and Growth and Financials.
Current Year	Means the financial year which has already commenced, but not yet ended.
Section 54 / 56 Employee	Means a person employed by a Municipality as a Municipal Manager (Section 54) or as a Manager directly accountable to a Municipal Manager (Section 56) and for which there is a Performance Agreement.
Evaluation	Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision-making by staff/ managers and policy-makers. Evaluation may assess relevance, effectiveness, efficiency, impact and sustainability of the institution and officials.
Indicators	Indicators are pieces of objective evidence, that tell us whether progress is, or is not being made in achieving goals.
Input indicator	Means an indicator that measures the costs, resources and time used to produce an output.
Inputs	The resources, physical, financial or otherwise that contribute to the delivery of outputs. In other words, "what we use to do the work."
Key Performance Area (KPA)	This is the area in which the Municipality plays a role towards delivering services. These may include Infrastructure and Engineering, Community Planning and Safety, Strategic and Corporate Services, Social and Economic Development, Institutional Transformation, Governance and Financial

	Management, amongst others.
Key Performance Indicators (KPI)	Key Performance Indicators will be determined in respect of each development priority and objective. These indicators are subject to public participation and will be used by each Department as well as each municipal entity where applicable. These are quantifiable measures which show where performance currently is in relation to the baseline and the target. This describes the measure in a clear, simple and precise manner.
Local Community or Community	In relation to a Municipality, means that body or persons comprising – the residents of the Municipality a) the ratepayers of the Municipality b) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality.
MEC for Local Government	Means the MEC responsible for Local Government in a province.
Monitoring	Monitoring involves collecting, analysing and reporting on inputs, activities, outputs and outcomes in a way that supports effective management. Monitoring, aims to provide managers, decision-makers and other stakeholders with regular feedback on progress in implementation, results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected.
Municipality	When referred to as – a) an entity, means a Municipality as described in section 2; and b) a geographical area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998).
Municipal Council or Council	Means a municipal Council referred to in section 157(1) of the Constitution.
Municipal Finance Management Act	Means the Local Government: Municipal Finance Management Act, 2003, and any regulations made under that Act.
Municipal	Means the Local Government: Municipal Structures Act, 1998 (Act 117 of

Structures Act	1998).
Municipal Systems Act	Means the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000).
Objective	An objective is a projected goal that a person, system, or organisation plans or intends to achieve
Outcomes	Refer to the ultimate effects of government activities on society in the medium to long term. These are the results of specific outputs for strategic goals identified in the IDP.
Outcome indicator	Means an indicator that measures the quality and or impact of an output on achieving a particular objective.
Output indicator	Means an indicator that measures the results of activities, processes and strategies of a program of a Municipality.
Outputs	Goods and services produced by the Municipality which are identified by the Performance measures. Outputs may be defined as "what we produce or deliver".
Performance Audit Committee	An independent committee appointed to assess the annual performance of the Municipality and report on the findings.
Performance Agreement	Means an agreement as contemplated in Section 57 of the Municipal Systems Act.
Performance Plan	Means a part of the performance agreement which details with the Measurable objectives (Outputs), Performance Measures (KPI's), targets and activities that are aligned to the Scorecards.
Political office bearer	Means the Speaker, Executive Mayor, Mayor, Deputy Mayor or Member of the Executive Committee as referred to in the Municipal Structures Act.
Quarters	Means any of the following periods in a financial year:

	<p>(1) 1 July to 30 September;</p> <p>(2) 1 October to 31 December;</p> <p>(3) 1 January to 31 March; or</p> <p>(4) 1 April to 30 June.</p>
Scorecard	<p>Is an evaluation device, that specifies the criteria that stakeholders will use to rate performance in satisfying their requirements.</p> <p>Municipal Scorecard: Five (5) Year Scorecard.</p> <p>Organisational Scorecard: Annual (Year under review) Scorecard with Quarterly Targets.</p> <p>Departmental Scorecard: Annual (Year under review) Scorecard with Quarterly Targets for Municipal Manager and Managers reporting to the Municipal Managers', Departments/Votes.</p>
Service Delivery and Budget Implementation Plan	<p>Means a detailed plan approved by the Mayor of a Municipality in terms of section 53(1) (c)</p> <p>(ii) of the Municipal Finance Management Act for implementing the Municipality's delivery of municipal services and its annual budget, and which must indicate –</p> <p>a) projections for each month of –</p> <ol style="list-style-type: none"> 1) revenue to be collected, by source; and 2) operational and capital expenditure, by vote; <p>b) service delivery targets and performance indicators for each quarter; and</p> <p>c) any other matters that may be prescribed,</p> <p>and includes any revisions of such plan by the Mayor in terms of section 54(1)(c) of the Municipal Finance Management Act.</p>
Target	Target to be achieved for that indicator over the specified timeframe.

1.2 INTRODUCTION

A Municipality's Performance Management System (PMS) is the primary mechanism to monitor, review, and improve the implementation of its Integrated Development Plan (IDP) and to gauge the progress made in achieving the objectives set out in the IDP. In addition, a Municipality's PMS must also facilitate increased accountability, learning, improvement, provide early warning signals and facilitate decision-making.

The performance management system monitors actual performance against set targets and contractual obligations. Effective service delivery relies upon the IDP, efficient utilisation of all resources and the performance management system being closely integrated across all functions at an organisational and an individual level.

This documents sets out:

- The legislative mandates that the PMS needs to comply with;
- The definition of a PMS, its objectives and the principles that will inform its use and continuous improvement;
- The process proposed for reviewing and implementing organizational performance management ; and
- The process proposed for reviewing and rolling out individual performance management.

Organizational and individual performance management are linked. The organizational objectives and targets that have been set for the municipality, municipal departments and business units are cascaded into the individual performance agreements of Section 54 and 56 Managers. When Managers achieve their targets then the respective business unit and departmental objectives and targets are also achieved that contribute towards the Municipality achieving the objectives of the IDP.

1.3 LEGISLATIVE MANDATES

1.3.1 Municipal Systems Act (Act No 32 of 2000)

Chapter 6 of the Municipal Systems Act, and specifically Sections 38 to 49, deal with organisational performance management. These legislative mandates require of all municipalities to:

- Development of a performance management system;
- Monitoring and review of performance management system;
- Setting of key performance indicators and performance targets,
- Publish an annual report on performance for the benefit of the communities served by the Municipality;
- Incorporate and report on a set of general key performance indicators prescribed nationally by the Minister responsible for local government;
- Auditing of performance measurement both internally and externally;
- Annual reporting on performance.

Chapter 7 of the Municipal Systems Act deals with local public administration and human resources. In particular, sections 54 and 56 of this Chapter requires that the Municipal Manager and those officials reporting directly to the Municipal Manager (i.e Section 54 and 56 employees) sign annual performance agreements. An individual performance plan must be attached to the performance agreement and it must include a set of performance measures that will enable actual performance of individuals to be assessed against planned performance.

1.3.2 Municipal Finance Management Act (Act No. 56 of 2003)

Section 53 (1) (c) (ii) states that the Mayor of a Municipality Must take all reasonable steps to ensure that the Municipality's service delivery and budget implementation plan is approved by the Mayor within 28 days after the approval of the budget.

Section 53 (1) (c) (iii) (bb) states that the annual performance agreements are linked to the measurable performance objectives approved with the budget and to the services delivery and budget implementation plan.

Section 54 (1) (b) and (c) states that the Mayor must ensure that the budget is spent in accordance with the services delivery and budget implementation plan and amendments can be made the services delivery and budget implementation plan with the approval of Full Council after approval of the adjustment budget.

1.3.2 Local Government: Municipal Systems Amendment Act (Act No. 7 of 2011)

This Amendment Act amends certain definitions; provides for a competency frameworks that contains criteria for the appointment of Senior Managers; and it makes further provision for the evaluation of Municipal Managers and Managers directly accountable to the Municipal Manager.

1.3.4 Local Government: Municipal Planning and Performance Management Regulations, 2001

These Regulations were passed by the Minister responsible for local government in terms of Section 49 of the Municipal Systems Act. These Regulations spell out the performance management responsibilities of municipalities in more detail. They deal with:

- The nature of the PMS;
- The adoption of the PMS;
- The setting of key performance indicators;
- The general key performance indicators published by the Minister, which reflect the object of developmental local government;
- The review of key performance indicators;
- Setting of performance targets;
- Monitoring, measurement and review of performance;
- Internal auditing of performance measurements; and
- Community participation.

The regulations further instruct a municipality to ensure that its performance management system:

- Complies with the requirements of the Act;
- Demonstrates how the system will operate and be managed from the planning stage up to the stages of performance and reporting;
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
- Determines the frequency of reporting and the lines of accountability for performance;
- Relates to the municipality's employee performance management processes;
- Provides for the procedure by which the system is linked to the municipality's Integrated Development Planning processes;
- A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan.

1.3.5 Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006

These Regulations set out the:

- Format of the employment contract for Section 54 and 56 employees; and
- Format and procedure to be followed in appraising the individual performance of Section 54 and 56 Managers.

1.3.6 Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers

Of particular relevance to this Performance Management Policy Framework is Annexure A of the abovementioned Regulations that deals with the competency framework for Senior Managers. The competency framework, including leading and core competencies as set out in the Regulations have been included in this Policy Framework.

The implementation of the performance management framework should allow the municipality to collect, process, organize, analyse, audit, reflect and report on performance information. It should also allow the municipality to take practical steps to improve its performance

1.4 DEFINITION AND OBJECTIVES OF PERFORMANCE MANAGEMENT (PMS)

1.4.5 DEFINITION OF PMS

Performance management is defined as: "a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets of efficiency, effectiveness and impact."

1.4.6 OBJECTIVE OF PERFORMANCE MANAGEMENT

The objectives of performance management are, inter alia to:

1.4.6.1 Facilitate increased accountability

The PMS should provide a mechanism for ensuring increased accountability between:

- The citizens of the Local Municipality and the Municipal Council;
- The political and administrative components of the Municipality; and
- The Office of the Municipal Manager and each municipal department.

1.4.6.2 Facilitate learning and improvement

The PMS must also provide a platform for learning and improvement. It should enable the Municipality to assess which approaches and methods are having the desired impact and in this way enable the Municipality to make the necessary improvements that will lead to more effective service delivery. It should form the basis for monitoring implementation, evaluating and improving the IDP.

1.4.6.3 Provide early warning signals

The PMS should provide managers and supervisors at all levels, the Municipal Manager, Portfolio Committees and the Council with early warning of performance targets that are not going to be reached and thus adversely affecting the implementation of the IDP. It is important that the system informs decision makers of areas of delivery that are lagging behind so that they can intervene and take corrective action as required.

1.4.6.4 Facilitate decision making

The PMS should provide suitable management information that will allow for efficient, effective and informed decision making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but briefly summarize the intended benefits of the PMS that is to be reviewed and implemented. These intended objectives, together with other criteria, should be used to evaluate the PMS at the end of each financial year.

1.5 PRINCIPLES OF PERFORMANCE MANAGEMENT

The following principles are proposed to inform and guide the review and implementation of the uMgungundlovu District Municipality's PMS:

1.5.5 Simplicity

The system must be a simple user friendly system that enables the Municipality to operate it with its existing resources with the involvement of external stakeholders.

1.5.6 Politically driven

The legislation requires the PMS to promote a culture of performance management in the political structures. It further states that Council must manage the development of the PMS and assign responsibility in this regard to the Municipal Manager. Once developed, Council must adopt the PMS. This means that Council is the owner of the system and must therefore oversee the implementation and improvement of the system and in the process inculcate a culture of performance improvement as is required by the Municipal Systems Act.

1.5.7 Incremental implementation

One of the most important lessons learnt by municipalities that have developed and implemented successful PMSs is that it is an incremental process. They point out that the most important thing to do is to start measuring and reporting performance and not to carry on developing the "best" system – start with a basic system, implement it and then improve it incrementally. It is not possible to transform overnight from close to non-compliance to international best practice. In practice it is only possible to move gradually towards a high performance organisation.

1.5.4 Transparency and accountability

The process of managing performance should be inclusive, open and transparent. Citizens should know how departments within the municipality are run, how resources are spent, and who is in charge of particular services. Similarly all information on the performance of departments should be available for other managers, employees, the public and interest groups.

1.5.8 Integration

The PMS should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool for managing the affairs of the Municipality.

1.5.9 Objectivity

Performance management must be founded on objectivity and credibility. Both the process of managing performance and the information on which it relies need to be objective and credible.

2. PART TWO: ORGANISATIONAL PERFORMANCE MANAGEMENT

2.1 INTRODUCTION

At this level the performance of the municipality is measured and managed against the progress made in achieving the strategic objectives as set out in Integrated Development Plan (IDP). This is done on the basis of the Key Performance Indicators set for each of the IDP objectives.

The measures set at this level should be strategic and mostly long-term with an outcome and impact focus. The IDP has a five-year time span and the measures set at this level must be captured in an organisational scorecard.

2.2 PLANNING

Performance planning commences with the development or review of the Integrated Development Plan, at the beginning of the term of council or as part of the annual review of the IDP. The IDP in fact constitutes an important part of the PMS and it is important to integrate the work done during the review of the IDP into the PMS and to ensure that the PMS is an extension of the IDP – it is the tool that is used for monitoring the implementation of the IDP.

The municipal council will, as prescribed in its IDP process plan, adopt:

- The PMS framework;
- The municipal strategic balanced scorecard which outlines IDP priorities and objectives;
- Service Delivery and Budget Implementation Plans (SDBIPs) which outlines municipal initiatives, programmes, projects, services, key performance indicators, performance targets and budget summaries.

The municipality must involve the community in the development of the performance management system, setting of KPIs and performance targets in accordance with section 9 and 15 of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

2.3 IMPLEMENTATION

The actual implementation and operation of the PMS occurs simultaneously with the implementation of the IDP. The implementation of the IDP over a single financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP), scorecards, performance contracts of the Municipal Manager and other Managers directly accountable to the Municipal Manager (Section 54 and 56 employees). The Service Delivery Budget Implementation Plan (SDBIP) is the implementation tool used to align the budget to the IDP. The focus of the SDBIP is both financial and non-financial measurable performance objectives in the form of service delivery targets and other performance indicators.

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the Municipality, thus providing credible management information and a detailed plan for how the Municipality will provide such services and the inputs and financial resources to be used.

The key performance areas and indicators of performance contained in the organizational scorecard are cascaded into departmental scorecards, and further into individual scorecards which ensure the appropriate alignment between organizational and individual performance.

2.4 MEASUREMENT

Measurement occurs when value is ascribed to costs, resources and time used to produce output using input indicators. It indicates the extent to which municipalities' activities and processes produced outputs in accordance with the identified output indicators. It measures the total improvement brought about by outputs in accordance with outcome indicators.

2.5 MONITORING

Monitoring is a continuous process of measuring, assessing, analyzing and evaluating the performance of the organization and departments with regard to KPIs and targets. The municipality must develop mechanisms, systems and processes for monitoring performance.

The monitoring framework must:

- Identify the roles of the different role players in monitoring and measuring the Municipality's performance;
- Provide for reporting to the Municipal Council at least twice a year;
- Be designed in a manner that enables the Municipality to detect early indications of under-performance;
- Provide for corrective measures where under-performance has been identified.

2.6 REVIEW

Review includes assessment of the system itself, the framework, performance targets of departments and performance measurement of employees. It identifies the strengths, weaknesses, opportunities and threats of the municipality in meeting key performance indicators, performance targets and general key performance indicators. It also measures the economy, efficiency, effectiveness in the utilization of resources and impact in so far as performance indicators and targets set by the municipality are concerned. Performance improvement and adjustment is based on review. The municipality should ensure that the community participates in the review process.

2.7 PERFORMANCE AUDITING

The Municipal Planning and Performance Management Regulations, 2001, requires municipalities to develop and implement mechanisms, systems and processes for auditing the results of the performance measurements as part of its internal auditing processes. This is meant to ensure that performance information collected by the municipality is verifiable, reliable and correct.

2.7.1 INTERNAL AUDITING

The Regulations provides that the internal audit activity must include assessments of the following:-

- The functionality of the municipality's performance management system;
- Whether the performance management system complies with the relevant provisions of the Municipal Systems Act, 2000;
- The extent to which the municipality's performance measurements are reliable in measuring performance.
- On a continuous basis, audit the performance measurements of the municipality;
- Submit quarterly reports on their audits to the Municipal Manager and the Performance Audit Committee.

2.7.2 EXTERNAL AUDITING

The results of performance measurements must be audited annually by Auditor-General.

2.7.3 PERFORMANCE AUDIT COMMITTEE

2.7.3.1 The Regulations further provides for the creation of a Performance Audit Committee:

- The municipality must annually appoint and budget for a Performance Audit Committee of at least three members, the majority of which cannot be a councillor or an official of the municipality;
- Any external member of the committee may be remunerated in line with tariffs determined by the South African Institute of Chartered Accountants;
- A municipality must provide secretariat services for its audit committee;
- The Performance Audit Committee must meet at least twice during the financial year, but a special meeting may be called by any member of the committee.

2.7.3.2 The roles and responsibilities of the Performance Audit Committee are the following:

- Review the quarterly reports submitted to it by the Internal Audit Activity;
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
- In its review of the system, focus on economy, efficiency, effectiveness and impact of the KPIs and targets set; and
- Submit an audit report to the municipal council twice during a financial year.

2.7.3.3 In order to fulfill their functions, a Performance Audit Committee may:-

- Communicate directly with the Council, Municipal Manager or the Internal Auditors of the municipality;
- Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- Request any relevant person to attend any of its meetings, and if necessary to provide information needed by the committee; and
- Investigate any matters it deems necessary for the performance of its duties and the exercise of its powers.

2.7.3.4 The composition of the Performance Audit Committee should ensure that the following competencies are sufficiently catered for within the group:

- Expertise in performance management;
- Expertise in finance;
- An understanding of development planning; and
- Credibility within all communities and organs of civil society within the municipality.

3. PART THREE: INDIVIDUAL PERFORMANCE MANAGEMENT

3.1 INTRODUCTION

At this level, the performance of individuals is measured against personal performance targets, set in accordance with their job descriptions. These targets are also linked to the IDP and relevant department's SDBIP, in this way ensuring that performance management at the various levels is linked and integrated.

3.2 SECTION 54 AND 56 EMPLOYEES

3.2.1 The performance agreements of the Municipal Manager and those Managers reporting directly to the Municipal Manager, is the cornerstone of individual performance management.

3.2.2 In terms of Section 54 / 56 of the Municipal Systems Act these employees are required to sign a performance agreement within a reasonable time after assuming duty and then within one month after commencement of the new financial year.

3.2.3 The performance agreement should be informed by the departmental and municipal scorecards and the content of the performance agreement should include the following:

- The legal agreement to be signed by the employer and the employee, a template of which is attached at Annexure D, Appendix 1.
- A performance plan containing key objectives, key performance indicators, performance targets (outputs) and the weighting of each output. Refer to the suggested template at Annexure D, Appendix 2.
- A personal development plan that identifies the competencies and other development needs of the employee, as well as interventions to improve these. Refer to the suggested template at Annexure D, Appendix 5.

3.2.4 The criteria upon which the performance of the employee must be assessed consist of two components, both of which must be contained in the performance agreement. The employee must be assessed against both components, with a weighting of 80: 20 allocated to the Key Performance Areas (KPAs) and the Competency Framework (CF)), respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80 % and the CF will account for 20 % of the final assessment.

3.2.5 The employee's assessment will be based on his or her performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPA's, which constitute 80 % of the overall assessment result as per the weightings agreed to between the employer and employee.

3.3 PERFORMANCE REVIEWS

- 3.3.1** The performance of the employee in relation to his or her performance agreement must be reviewed quarterly, with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory.
- 3.3.2** The employer must keep a record of the mid-year review and annual assessment meetings.
- 3.3.3** Performance feedback must be based on the employer's assessment of the employee's performance.
- 3.3.4** The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.
- 3.3.5** The employer may amend the provisions of the performance plan whenever the performance management system is adopted, implemented and/or amended as the case may be on agreement between both parties.

3.4 MANAGEMENT OF EVALUATION OUTCOMES

- 3.4.1** Evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 3.4.2** A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to a Section 54 /56 employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that:-
- a score of 130% to 149% is awarded a performance bonus ranging from 5 % to 9%;and
 - a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 3.4.3** In the case of unacceptable performance, the employer shall:-
- provide systematic remedial or developmental support to assist the employee to improve his or her performance; and
 - after appropriate performance counseling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the employer may consider steps to terminate the contract of employment of the employee on grounds of unfitness or incapacity to carry out his or her duties.

4. PART FOUR: REVIEW AND IMPROVEMENT OF THE PMS

4.1 COMPLIANCE CHECK

A logical point of departure in reviewing and evaluating the effectiveness of the PMS is to establish to what extent the system is compliant with legal mandates and to what extent it is moving beyond compliance towards best practice.

4.2 EVALUATION OF EFFECTIVENESS

Furthermore, the review of the PMS will need to be done with the participation of the users of the system. During this evaluation it will be necessary to examine the effectiveness of the system in all its phases and to identify areas of improvement by taking into account:

- The experiences in the application of the system;
- Best practices in other municipalities; and
- International trends in public sector performance management.

5. REPORTING LINES AND FREQUENCY OF REPORTING

It is important to clarify roles and responsibilities of employees and stakeholders in the performance management cycle. The roles and responsibilities of the main role players in the different phases of the performance management cycle are set out in the table below:-

Role Players	Performance Planning	Performance Review	Performance Reporting	Performance Audit
Municipal Council	<ul style="list-style-type: none"> ▪ Adopt priorities and objectives of the IDP; ▪ Adopt the PMS framework; ▪ Adopt the municipal strategic scorecard that includes key performance indicators and performance targets; ▪ Assigns the responsibility for the management of the PMS to the Mayor. 	<ul style="list-style-type: none"> ▪ Approves the annual review programme of the IDP, including the review of KPIs and performance targets; ▪ Approves the annual improvement measures of the municipality as part of the new municipal strategic scorecard; ▪ Approves changes to the priorities, key objectives, key performance indicators and performance targets of the municipality. 	<ul style="list-style-type: none"> ▪ Report the municipality's performance to the community; ▪ Approve recommendations for the improvement of the performance management system; ▪ Annually receive the appraisal of the municipal manager and other section 57 employees; ▪ Submit the municipal annual report to the Auditor-General and the MEC. 	<ul style="list-style-type: none"> ▪ Approve the municipal annual audit plan and any substantial changes to it; ▪ Receive performance reports from the Performance Audit Committee; ▪ Approve the implementation of the recommendations of the Performance Audit Committee; ▪ Receive the performance audit report from the Auditor-General.

Role Player	Planning	Implementation	Review	Reporting	Performance Audit
Municipal Manager	<ul style="list-style-type: none"> ▪ Coordinate the process of needs identification and prioritisation among all stakeholders, including the community; ▪ Coordinate the formulation and revision of the PMS framework; ▪ Coordinate the formulation and revision of the municipal strategic scorecard that includes KPIs and performance targets; ▪ Leads the process of the formulation and revision of departmental scorecards and departments annual programmes ▪ Enters into performance agreement with section 57 managers on behalf of Council. 	<ul style="list-style-type: none"> ▪ Manage the overall implementation of the IDP; ▪ Ensure that all role players implement the provisions of the PMS framework; ▪ Ensure that the departmental scorecards and departmental annual programmes serve the strategic scorecard of the municipality; ▪ Ensure that annual programmes are implemented according to the targets and timeframes agreed to. ▪ Implement performance improvement measures approved by Council ▪ Ensure that performance objectives in the section 57 managers performance agreements are achieved. 	<ul style="list-style-type: none"> ▪ Formulate the annual review programme of the IDP, including the review of KPIs and performance targets for consideration by Council; ▪ Formulate the annual performance improvement measures of the municipality as part of the new municipal strategic scorecard; ▪ Quarterly review the performance of departments to improve the economy, efficiency and effectiveness of the municipality; ▪ Quarterly and annually evaluate the performance of section 57 managers. 	<ul style="list-style-type: none"> ▪ Receive quarterly performance reports from the Internal Audit Activity; ▪ Receive performance reports twice a year from the Performance Audit Committee; ▪ Receive monthly departmental performance reports; ▪ Report quarterly to Council on the performance of departments; ▪ Report on the implementation of improvement measures adopted by Council; ▪ Annually report on the performance of section 57 managers; ▪ Submit the municipal annual report to the Mayor. 	<ul style="list-style-type: none"> ▪ Formulate responses to the recommendation of the Internal Audit Activity and Performance Audit Committee; ▪ Formulate responses to the performance audit report of the Auditor-General and recommend to Council.

Role Player	Planning	Implementation	Review	Reporting	Performance Audit
Heads of Departments	<ul style="list-style-type: none"> ▪ Participate in the formulation and revision of the municipal strategic scorecard that includes KPIs and performance targets in consultation with the relevant Portfolio holder; ▪ Develop departmental scorecards; ▪ Develop departmental annual plans; ▪ Manage performance of subordinate staff; ▪ Enter into a performance agreement with the Municipal Manager. 	<ul style="list-style-type: none"> ▪ Manage the implementation of departmental scorecard; ▪ Ensure that annual programmes are implemented according to the targets and timeframes agreed to; ▪ Implement measures approved by Council; ▪ Manage the implementation of subordinate's performance measurement system; ▪ Ensure that performance objectives in the performance agreements are achieved. 	<ul style="list-style-type: none"> ▪ Participate in the formulation of the annual review programme of the IDP, including the review of KPIs and performance targets for consideration by Council; ▪ Quarterly review the performance of the department to improve the economy, efficiency and effectiveness of the municipality; ▪ Quarterly and annually evaluate the performance of the department. 	<ul style="list-style-type: none"> ▪ Submit monthly departmental performance reports; ▪ Report on the implementation of improvement measures adopted by Council; ▪ Annually reports on the performance of the department. 	<ul style="list-style-type: none"> ▪ Participate in the formulation of the response to the recommendation of Internal Audit Activity and the Performance Audit Committee; ▪ Participate in the formulation of the response to performance audit report of the Auditor-General and recommend to Council.

Role Player	Planning	Implementation	Review	Reporting
Municipal Officials	<ul style="list-style-type: none"> ▪ Participate in the development of departmental scorecards and annual plans; ▪ Participate in the development of their own performance measurements. 	<ul style="list-style-type: none"> ▪ Execute individual work plans. 	<ul style="list-style-type: none"> ▪ Participate in the review of departmental plans; ▪ Participates in the review of own performance. 	Report to the Line Manager.
Internal Audit Activity	<ul style="list-style-type: none"> ▪ Participate in the formulation of the annual audit plan. 		<ul style="list-style-type: none"> ▪ Measure the performance of departments according to KPIs and performance targets set in the municipal scorecard; ▪ Assess the functionality of the PMS; ▪ Ensure that the system complies with the Act; ▪ Audit the performance measurements in the municipal scorecard and departmental scorecard. 	<ul style="list-style-type: none"> ▪ Submit quarterly reports to the Municipal Manager; ▪ Submit quarterly reports to the Performance Audit Committee.
Performance Audit Committee	<ul style="list-style-type: none"> ▪ Make inputs and recommendations on the annual audit plan. 		<ul style="list-style-type: none"> ▪ Review quarterly reports from the Internal Audit Activity. 	<ul style="list-style-type: none"> ▪ Report at least twice to Council.

6. REPORT PREPARATION

Report	Purpose of Report	Reporting structure					
		Head of Departments	Municipal Manager	Internal Audit Activity	Performance Audit Committee	Council Committee	Adopting by Council
1 st Report	<ul style="list-style-type: none"> ▪ Review of KPIs; ▪ Audit of performance measurements; ▪ Report on adjustments made of the basis of previous report 	End of August	End of September	Mid October		Mid October	End October
2 nd Report	<ul style="list-style-type: none"> ▪ Review KPIs; ▪ Review functionality of PMS; ▪ Verify compliance with the Act; ▪ Examine reliability of performance measurements; ▪ Report on adjustments made on the basis of previous report. 	End December	End December	Early January	Mid January		End January
3 rd Report	<ul style="list-style-type: none"> ▪ Review KPIs; ▪ Audit performance measurement; ▪ Report on 	End March	End March	Early April		Mid April	End April

	adjustments made on the basis of previous reports.	End June	End June	Early July	Mid July		End July
4th Report	<ul style="list-style-type: none"> ▪ Review KPIs; ▪ Review functionality of PMS; ▪ Verify PMS compliance with the Act; ▪ Examine reliability of performance measurements; ▪ Report of adjustments made on basis of previous reports 						

7. CONCLUSION

The proposed performance management framework is aimed at guiding Council in the development of a performance management system which will contribute to improving the municipal performance and enhance service delivery. The framework is drafted to provide details which describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.