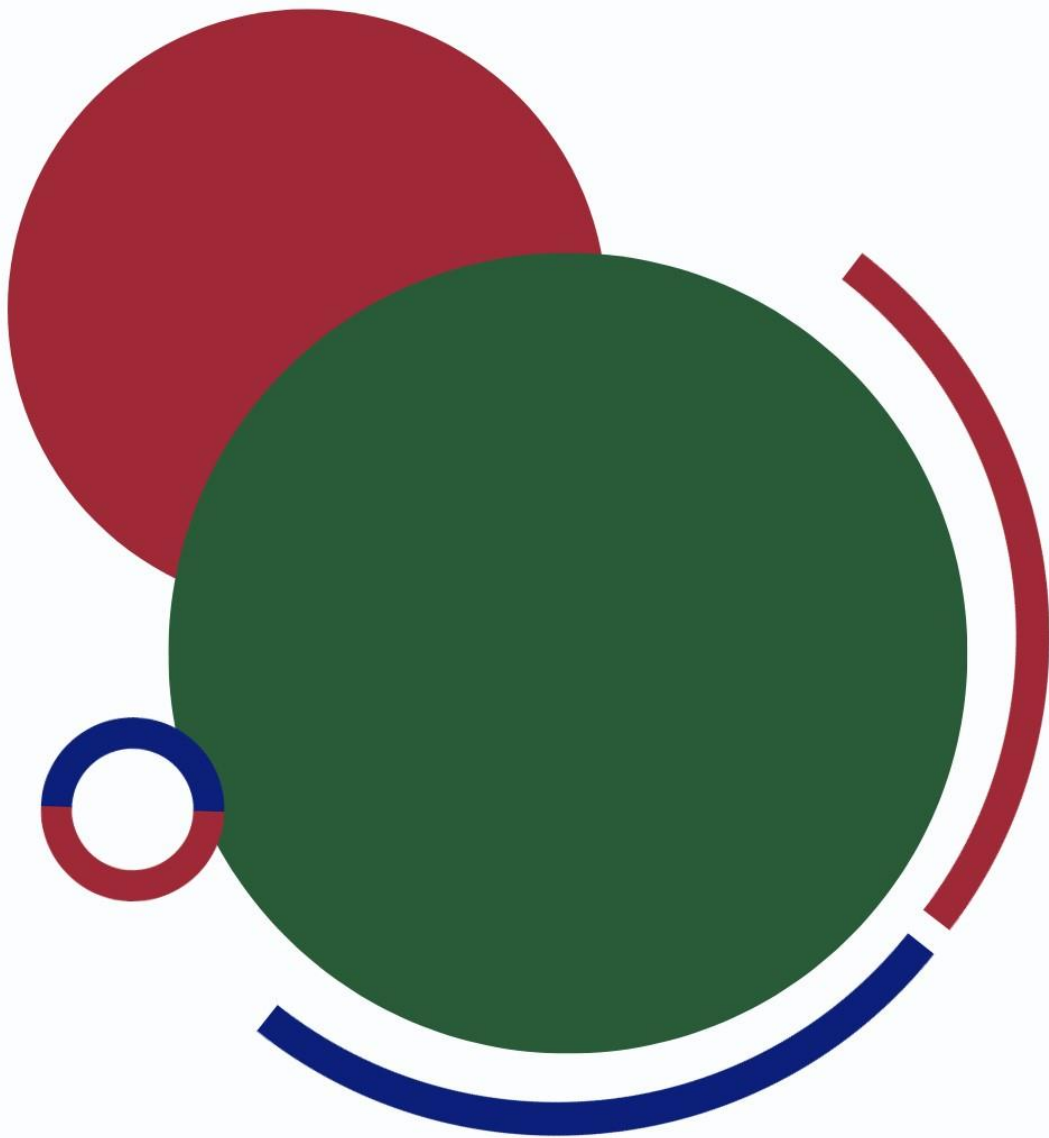


# PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM FRAMEWORK



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## 1. PREAMBLE

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The White Paper on Local Government (1998) proposed the introduction of Performance Management Systems (PMDS) for local government as a tool to monitor the progress of service delivery at local government level. The Municipal Systems Act of 2000 requires local governments to develop a Performance Management System. The Municipal Structures Act, 1998 Section 19, and the MFMA, Act 56 of 2003, are the legislation that gives direction to Performance Management in Municipalities. The Local Government Municipal Staff Regulations, Regulation 890, states in Chapter 4 that a Municipality must adopt a performance management and development system that complies with the provisions of this Chapter in the Regulation which applies to all staff members of a municipality.

This document offers Laingsburg Municipality a platform to implement, assess, monitor, measure, review, manage and reward performance throughout the Municipality and shall serve as the official Performance Management Framework which informs the performance management processes and practices. It also forms the basis of aligning the IDP with the operational business plans, performance areas and performance indicators of the various departments of the Municipality.

### **This framework/policy document should be read with:**

- All legislation that relates to performance management;
- Other policies and procedures of the municipality that relates to performance management and human resource matters as referenced; and
- The Performance Management Guidelines;

## 1.2 Definitions

<b>Activities:</b>	The process or actions that use a range of inputs to produce the desired outputs and ultimately outcomes
<b>Baseline:</b>	Is the current level of performance that the institutions aim to improve
<b>Benchmarking:</b>	It's the process whereby an organisation of similar nature uses each other's performance as a collective standard against which to measure their own performance
<b>Grievance:</b>	Any dissatisfaction, perceived or otherwise on the part of a staff member arising from factors that include a staff member's job, working environment or the municipality's employment practices
<b>Impact:</b>	The results achieving specific outcomes, such as reducing poverty and creating jobs
<b>Input:</b>	All resources that contribute to the production and development of outputs



<b>Integrated Development Plan:</b>	Is the strategic 5-year plan of an organisation as envisaged in MSA Section 25
<b>Key performance area:</b>	Is the functional area that the Municipality must perform to achieve its Mission and Vision
<b>Key performance indicator:</b>	It defines how performance will be measured along a scale or dimension to achieve the strategic objectives
<b>Objectives:</b>	The Municipality is striving towards achieving goals over a 5-year period to inform the mission – outcomes
<b>Output:</b>	The final products or goods and services produced for delivery
<b>Outcomes:</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs
<b>Performance cycle:</b>	Is the period commencing on 01 July annually and ending 30 June of the following year for which performance is planned, monitored and assessed
<b>Portfolio of evidence:</b>	The documentary evidence on progress made by staff towards achieving of the KPA's and KPI's
<b>Moderation:</b>	The process of aligning the staff members performance ratings to the performance of the department during the performance cycle and where applicable, the municipality
<b>Target:</b>	Express a specific level of performance that the institution, programme or individual is aiming to achieve within a given time period
<b>SDBIP:</b>	Is a detailed plan approved by the Executive Mayor of a municipality in terms of MFMA Section 53 (1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget
<b>Performance Standards:</b>	Expresses the minimum acceptable level of performance, or level of performance that is generally expected. These should be informed by legislative requirements departmental policies and service level agreements but can also be benchmarked against other institutions performance levels in accordance to best practice principles
<b>Technical Indicator Description:</b>	An organized, purposeful structure that consists of interrelated and interdependent elements (components, entities, factors, members, parts etc.). These elements continually influence one another (directly or indirectly) to maintain their activity and the existence of the system, in order to achieve the goal of the system.



## 2. INTRODUCTION

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Performance Management and Development System is a process which measures the implementation of the organisation's strategy taking into account the skills and the growth thereof. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

Performance Management is the practice of linking the long-term strategic objectives of an organisation to its day-to-day performance by setting measurable key performance indicators (KPI's) and monitoring performance against those indicators. When implemented correctly, it is an essential tool to monitor whether a municipality is on track to meet targets or serves as an early warning system to identify areas where improvement is required to enhance service delivery and recognise excellent performance.

The municipality deliver services essential to the well-being and development of the communities they serve. To ensure that service delivery is as efficient and economical as possible, municipalities are required to formulate strategic plans, allocate resources to the implementation of those plans, and monitor and report the results. Performance information is essential to focus the attention of the public and oversight bodies on whether municipalities are delivering value for money, by comparing their performance against their budgets and service delivery plans, and to alert managers to areas where corrective action is required.

The Constitution of South Africa (1996), Section 152, dealing with the objectives of local government, paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- the promotion of efficient, economic and effective use of resources;
- accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff.

Section 38 of the Municipal Systems Act (MSA), (Act 32 of 2000) requires municipalities to establish a Performance Management System (PMDS). Furthermore, the MSA and the MFMA requires the Integrated Development Plan (IDP) to be aligned to the municipal budget (Section 25(b) of the MSA) and to be monitored for the performance of the budget against the IDP via the Service Delivery and Budget Implementation Plan (SDBIP) [Section of the MFMA]. Section 38 (c) (MSA) also stipulates that a municipality must administer its affairs in an economical, effective, efficient and accountable manner.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A municipality's performance management system entails a framework that 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.”

This policy therefore describes how the municipality’s performance process, for the organisation will be conducted, organised and managed. It also has the following objectives:

- Clarify processes of implementation;
- Ensure compliance with legislation;
- Demonstrate how the system will be managed;
- Define roles and responsibilities;
- Promote accountability and transparency; and
- Reflect the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

## **2.1 Objectives of the Performance Management System**

The Laingsburg Municipality’s Performance Management and Development System (PMDS) is the primary mechanism to monitor, review and improve the implementation of its strategy and to measure the progress made in achieving its objectives as identified in the IDP. The PMDS has the following objectives to fulfil:

### ***a. Facilitate strategy deployment***

Facilitates strategy (IDP) deployment throughout the municipality and align the organisation in executing its strategic objectives.

### ***b. Facilitate increased accountability and transparency***

Provide a mechanism for ensuring increased accountability between the local community, the municipal council and the municipal management team.

The development and implementation of a PMDS should be inclusive, transparent and open. The general public should, through the system be made aware of how the operations of the municipality are being administered, how public resources are being spent and who is responsible for what.

### ***c. Facilitate learning and improvement***

Facilitate learning in order to enable the municipality to improve on delivery.

### ***d. Provide early warning signals***

Ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

### ***e. Facilitate decision-making***

Provide appropriate and reliable management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.





### *f. Facilitate objectivity*

Developed on a sound value system where the management of the system and the information is based upon being objective and credible. The adopted performance assessments ensure objectivity and credibility in the management of performance.

## **2.2 Legislative Overview**

This Performance Management Policy has been developed in accordance with promulgated local government legislation, regulations and other guidelines.

The following legislation mainly informs the PMDS of the municipality:

- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- The White Paper on Local Government (1998)
- The White Paper on Transforming Public Service Delivery (Batho-Pele) (1997)
- The Municipal Systems Act, 2000 (Act 32 of 2000)
- Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Municipal Planning and Performance Management Regulations (R796, Aug 2001)
- Municipal Performance Regulation for Municipal Managers and Managers directly accountable to MM's (R805, Aug 2006)
- Local Government: Regulations on appointment and conditions of employment of senior managers (R21, Jan 2014)
- Framework for Managing Programme Performance Information (2007)
- MFMA Circular No. 13 – Service delivery budget implementation plan
- MFMA Circular No. 65 – Internal Audit and Audit Committee
- Local Government Regulation 891 and 890 – Municipal Staff Regulation (2021)
- Skills Development Act 97 of 1998
- Basic Conditions of Employment Act
- National Qualifications Framework Act 67 of 2008
- Labour Relations Act 66 of 1995
- Notice 464: Directive: Performance Information Public Audit Act
- Promotion of Access to Information Act 2 of 2000 (PAIA)
- MFMA Circular No. 88 – Rationalisation of Planning, Budgeting and Reporting



### 3. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (PMDS)

Each municipality must adopt a PMDS which explains the complete performance management and development system cycle. The cycle starts with the establishment of an oversight body (Council) who is responsible for the approval of a policy framework which describes the performance management process within the municipality.

The policy framework must explain the performance management cycle as it will be implemented, including timeframes and the implementation framework. The policy framework must be adopted by Council after consultation with the relevant stakeholders.

Performance Management and Development System is aimed at ensuring that municipalities monitor the implementation of their IDP's and continuously improve their operations and in terms of Section 19 of the Local Government: Municipal Structures Act 117 of 1998, that they annually review their overall performance in achieving their constitutional objectives and to deliver services in an effective and efficient manner.

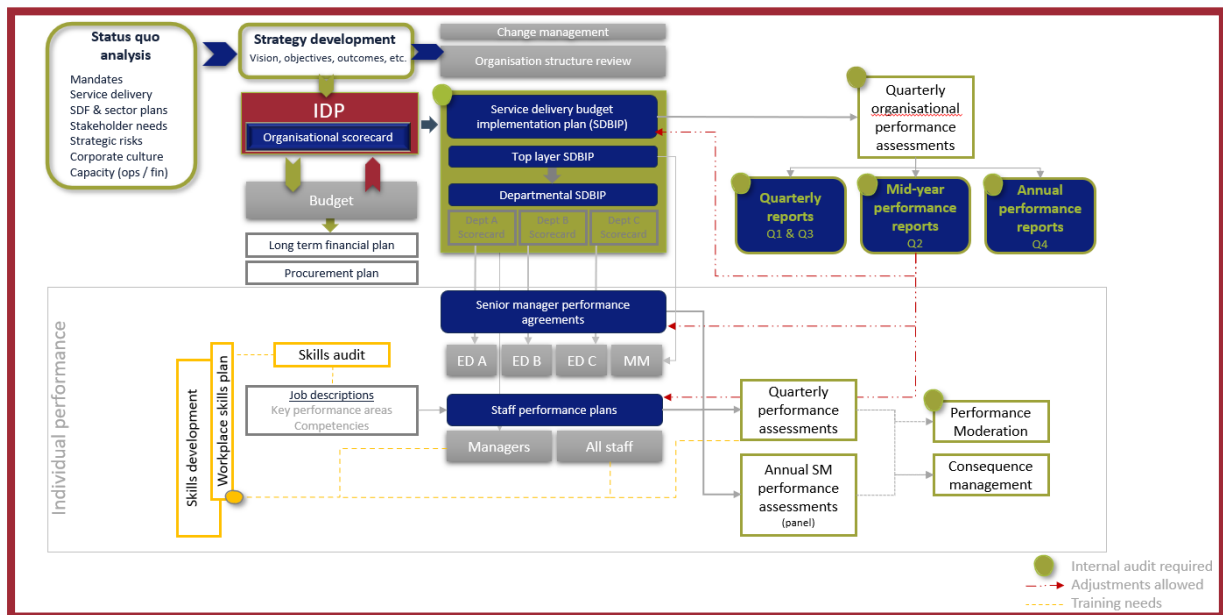
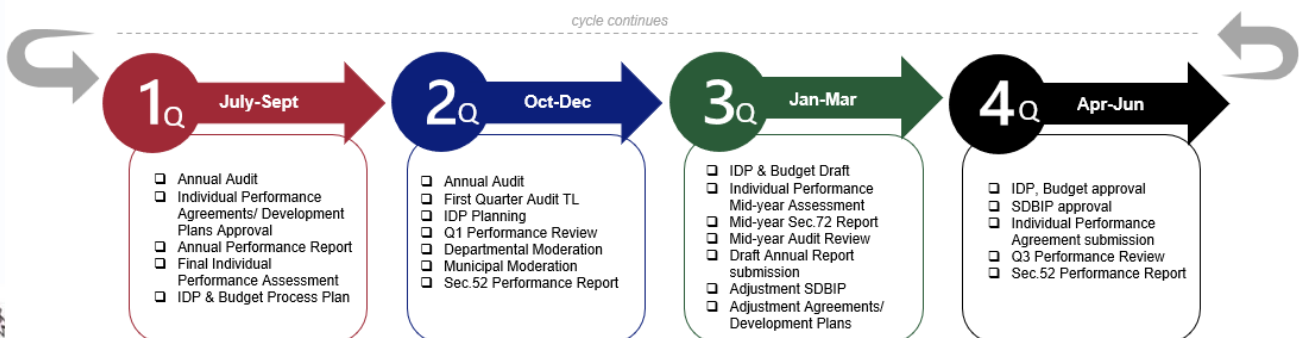


Figure 1: Performance cycles

#### 3.1 Performance and Development Cycle

The overall planning, budgeting, performance monitoring, reporting and development cycle are summarised as follows in the Framework for Managing Programme Performance Information:



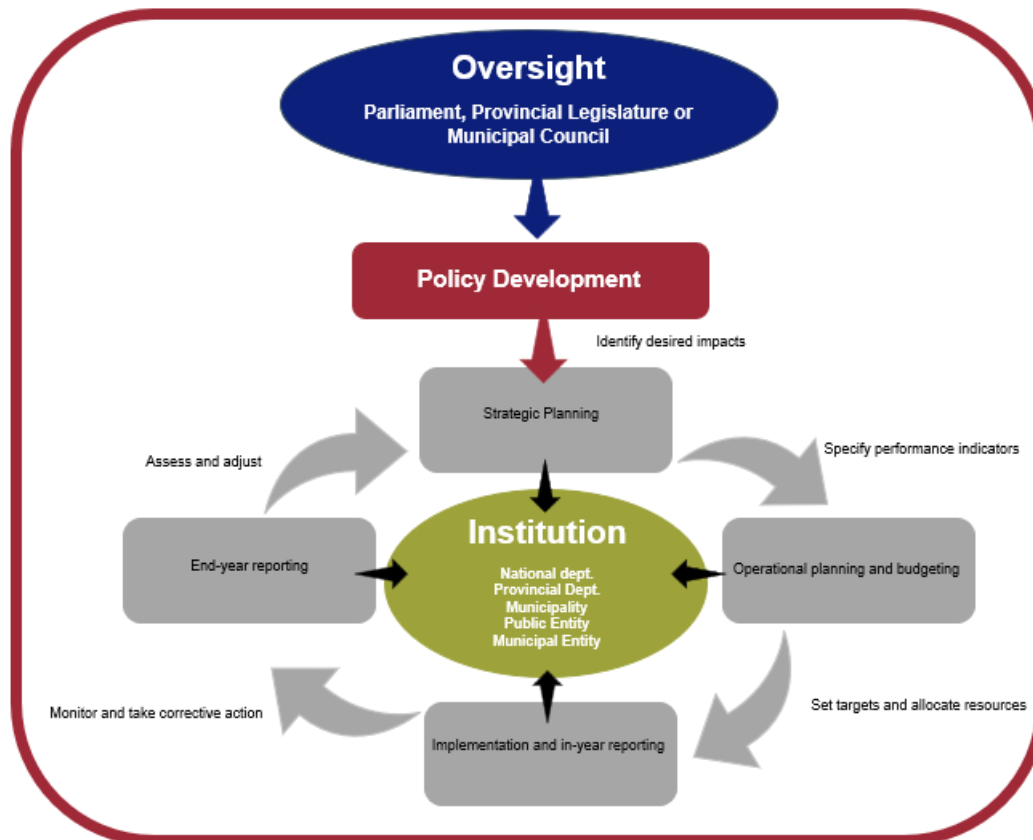


Figure 2: Planning, Budgeting and Reporting Cycle

- **Performance Planning** ensures that the strategic direction of the municipality more explicitly informs and aligns the IDP with all planning activities and resource decisions. This is the stage where Key Performance Areas (KPA's) and Key Performance Indicators (KPI's) are designed to address the IDP objectives and targets are set. The planning of the IDP starts with the beginning of the new financial year and the IDP process plan must be submitted to Council by 31 August every year.
- **Performance Monitoring** is an ongoing process to determine whether performance targets have been met, exceeded or not met. Projections can also be made during the year as to whether the final target and future targets will be met. It occurs during key points in a process. Senior Managers and their managers will monthly monitor the performance of their departments. Quarterly reports on performance information must be submitted to Portfolio Committees and Council.
- **Performance Evaluation** is an analysis of the status of performance, i.e. performance against targets, why there is under-performance (if applicable) or what the factors were, that allowed for good performance in a particular area. Where targets have not been met, the reasons for this must be examined and corrective actions implemented. Evidence to support the status should also be reviewed at this stage. The objective of the review should be based on actual performance and performance evidence.
- **Performance Reporting** entails regular reporting to management, the Performance Audit

Committee, Portfolio Committees, Council and the public in the form of quarterly, bi-annual and annual reports.

- **Performance auditing** is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to Section 45 of the MSA, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor General of South Africa (AGSA). The municipality have therefore established frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems. Areas of weak performance identified at year-end must be addressed during the following years planning phase.

### 3.2 Strategy Measurement

The strategy of the municipality is measured in terms of the:

1. **Five-Year Municipal Scorecard** which is included in the IDP and includes the expected outcomes of the objectives for the five years. The outcome indicators:
  - a. Indicate what the municipality aim to achieve in terms of its objectives;
  - b. Is included in the IDP with baseline data for the most recent year for which data is available;
  - c. Include a medium-term target for both the end of the electoral term (5<sup>th</sup> year) and the outer year of the MTREF (3<sup>rd</sup> year shifting out); and
  - d. Reported on for the latest year for which data is available in the Annual Report
2. **Top Layer Service Delivery Budget Implementation Plan (SDBIP)**. The Top Layer SDBIP is a one-year plan and includes the outputs that measure the implementation of the approved budget. The output indicators:
  - a. Is the functional link between the final products, goods or services produced for delivery and provide a useful indication of progress toward the intended outcome included in the IDP;
  - b. Include baseline data for the preceding financial year;
  - c. Include annual targets, split into quarterly projections as appropriate;
  - d. Is reported on quarterly, mid-year and annually; and
  - e. Included in the annual performance agreements of the municipal manager and senior managers
3. **Departmental SDBIP**. The departmental SDBIP is a one-year operational plan which measures performance at a directorate and departmental level. Indicators included in this plan includes the following:
  - a. Budget performance at a departmental level;
  - b. Service standards;
  - c. Activities required towards achievement of the strategy;
  - d. Measurement in the performance of managers at a directorate level; and
  - e. Monitored monthly and reported on.

## 4. DISTRICT DEVELOPMENT MODEL (DDM)

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The District Development Model was adopted by Cabinet in August 2019 and as part of the cabinet adoption, it was agreed that the DDM will provide a district-based approach to speed up delivery and ensuring that municipalities are properly supported and adequately resourced.

This One Plan is a plan for all of government that has a life span of 25 to 30 years. It includes all spheres of government and affirms the transversal alignment approach as well as the long-term planning that is highly recommended and encouraged by government.

The objectives of the DDM are to seek to achieve:

- Solve the Silos at a horizontal and vertical level.
- Maximise impact and align plans and resources at our disposal through the development of “*One District, One Plan and One Budget*”.
- Narrow the distance between people and government by strengthening the coordination role and capacities at the District and City levels.
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level.
- Build government capacity to support municipalities.
- Strengthen monitoring and evaluation at district and local levels.
- Implement a balanced approach towards development between urban and rural areas.
- Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment and equality.
- Exercise oversight over budgets and projects in an accountable and transparent manner.

The DDM positions the district at the centre of intergovernmental planning, coordination and implementation. The White Paper on Local Government (1998) indicates the role of the district municipalities to include:

- District wide integrated planning; and
- Support and capacity building to local municipalities

Furthermore, the MSA states that a District must develop a District IDP Framework.

The legislation places the district at the centre of development and therefore the Laingsburg Municipality must align to the district’s one plan in order to have an integrated development strategy that conforms to the districts vision.

## 4.1 Process Plan

The MSA Section 27 requires that each district municipality, after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning. This framework binds both the district and local municipality as it gives the direction that the municipalities' IDPs should follow and it drives the integrated development planning within the district area of jurisdiction.

The Framework is for a 5-year period and aligns to the IDP cycle, electoral mandate and should be reviewed on an annual basis. The development of a District Framework normally starts on 01 July and is completed by mid-August, when it is adopted by the District Municipality.

The Laingsburg Municipality must therefore align the annual process plan for the Municipality to the districts framework as illustrated below. The Process Plan of the Municipality must be submitted to Council for adoption by 31 August and must subsequently be made public.

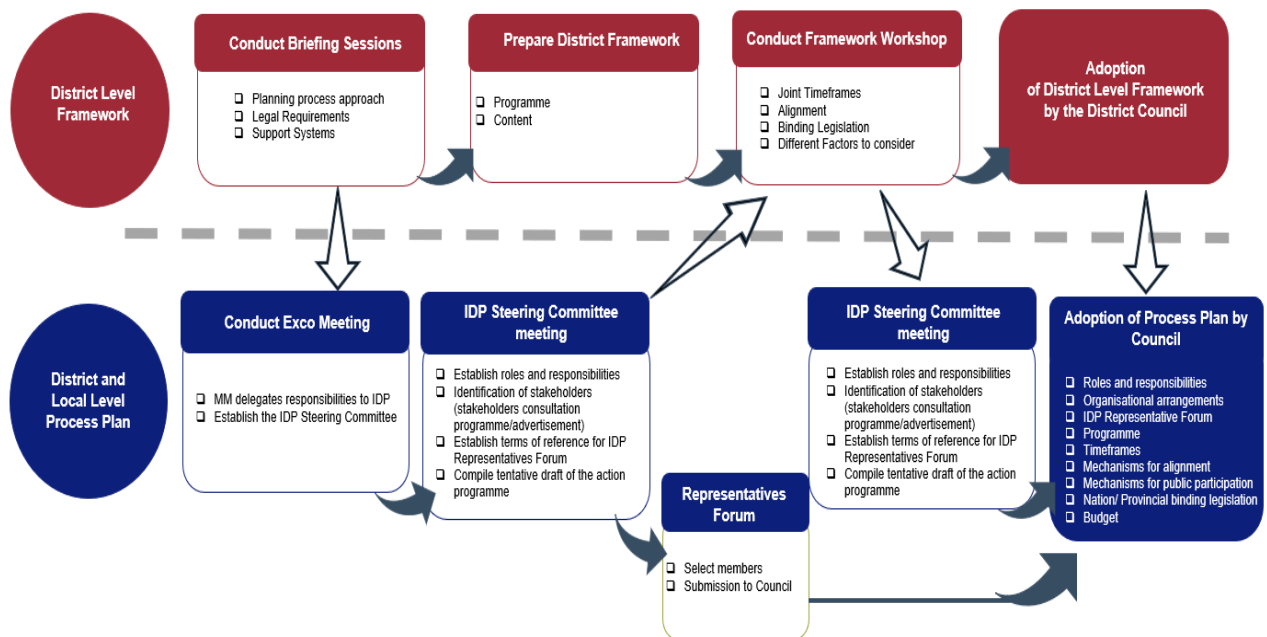


Figure 1: Proposed linkage between District Framework and Process Plan

The key elements that must be included in the Process Plan are:

- Institutional structures and arrangements
- The Public Participation approach that will be followed
- The different structures that will be established to promote public participation
- Time schedules for the planning process
- The Roles and Responsibilities of the various platforms and stakeholders
- The monitoring process that will be followed

It must be stated that the District Framework is a consolidation tool that ensures the integrated development planning between:

- The Laingsburg Municipality and its C- Municipality's priorities, programmes and projects;
- It provides the Laingsburg Municipality's alignment with provincial and national priorities and programmes.

## 5. ORGANISATIONAL PERFORMANCE

The IDP process and the performance management process must be seamlessly integrated. The IDP is a key document in the performance management cycle as it describes the municipal strategy that needs to be implemented. The PMDS in turn, fulfils the implementation, management, monitoring and evaluation of the municipal strategy.

Organisational performance is the first step to integrate the IDP, the municipal budget and performance management and it is measured through the SDBIP. The SDBIP is a plan that convert the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality will be implemented during the next twelve months. It also allocates responsibility to Head of Department and sub-Head of Department to deliver the services in the IDP and budget.

### 5.1 Integrated development plan (IDP)

Although the IDP process is not described in detail in this policy framework, it is important to provide some level of background as the performance cycle starts during the IDP process.

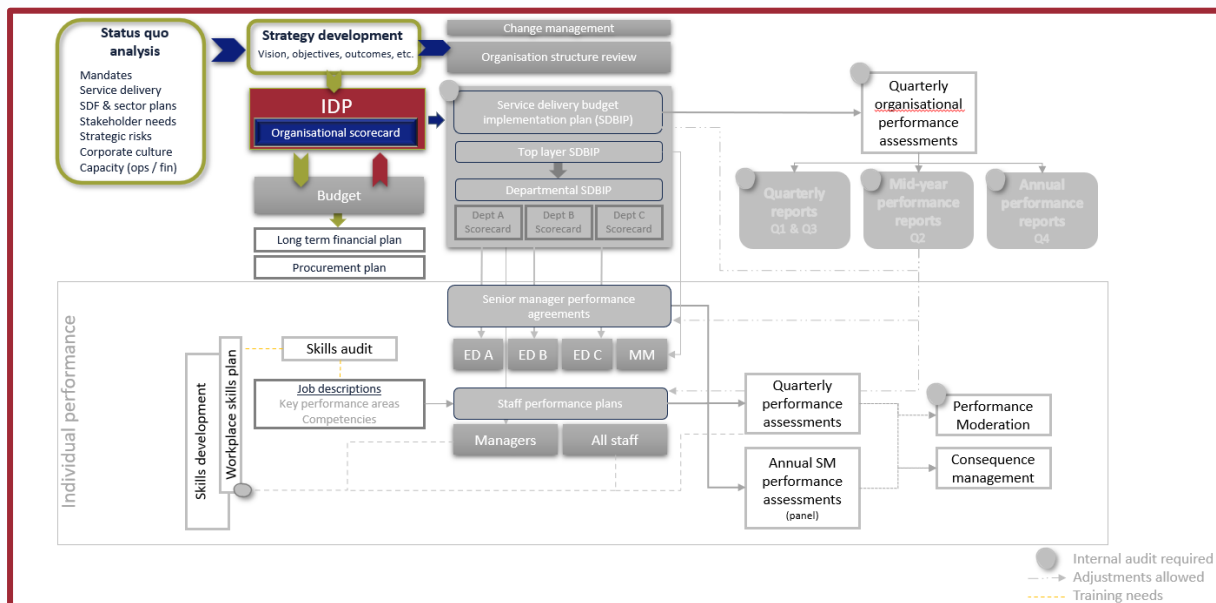


Figure 2: Integrated development planning included in the performance management system

An IDP is an inclusive and strategic plan of the municipality which links, integrates and co-ordinates plans, aligns resources and forms the foundation on which annual budgets must be based on.

The IDP should be inclusive of a 5-year scorecard that is outcomes based driven which are the consequences of achieving specific outputs.

In terms of Section 34 of the Municipal Systems Act, 2000, a Municipal Council must review its IDP:

- Annually in accordance with an assessment of its performance measurements;
- To the extent that changing circumstances so demand; and
- May amend its IDP in accordance with the prescribed process.

An IDP is therefore the principal strategic instrument guiding all planning, management, investment, developmental and implementation decisions, taking into account input from all stakeholders and reflects on:

- The profile of the municipal area including the economic and spatial data.
- The Municipal Council's vision for the long-term development of the municipality.
- An assessment of the existing level of development and performance.
- The Council's developmental priorities and strategic objectives.
- The Council's development strategies.
- A spatial development framework.

The actions emanating from the IDP must be planned for in a municipal scorecard (5-year outcomes) that should be included in the final IDP presented to Council for approval. The scorecard must include the performance indicators, annual targets for the relevant year that the indicator must be delivered in as well as the budget linkages in accordance with the Municipal Standard Chart of Accounts (mSCOA) requirements.

The IDP process is summarised in the following diagram. (Please note that the graph only provides a high-level understanding of the process and that the detailed actions, timeframes and responsibilities should be documented in the annual IDP process plan that must be adopted by Council.)

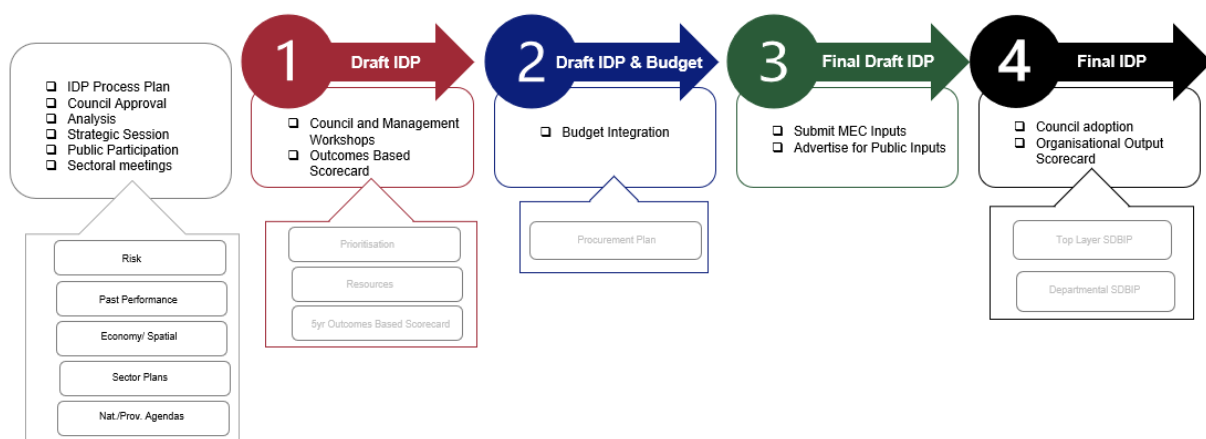


Figure 3: High level IDP Process





## 5.2 The Service Delivery Budget Implementation Plan (SDBIP)

The SDBIP is a management, implementation and monitoring tool that will enable the Municipality to monitor the performance of the municipality and its departments.

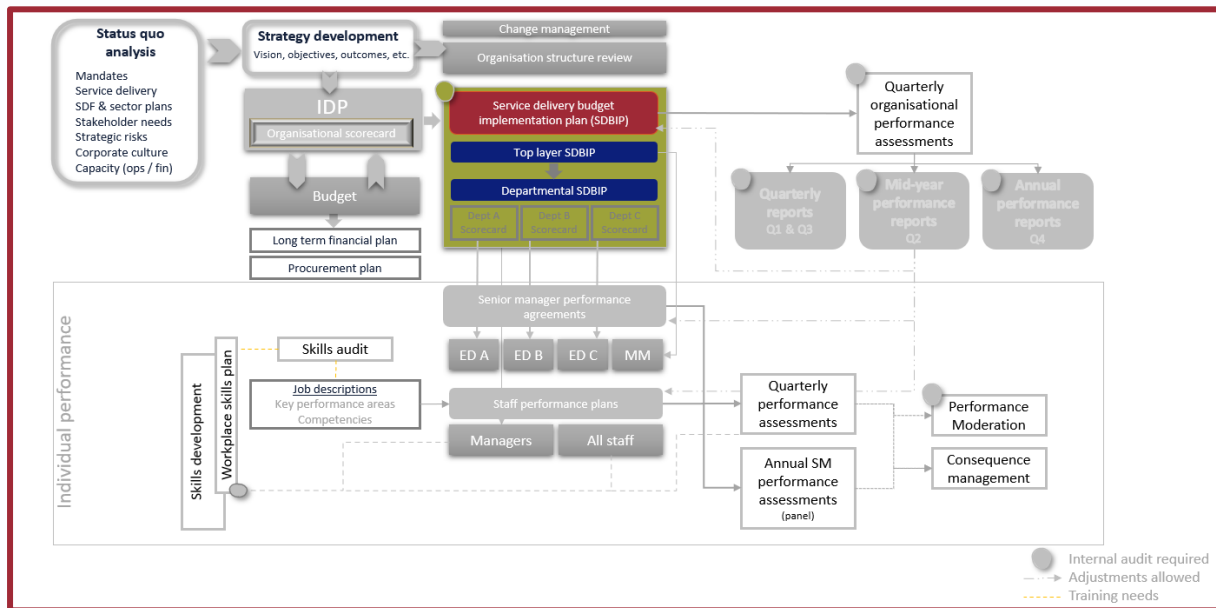


Figure 4: Service delivery budget implementation plan included in the performance management system

The SDBIP will only give effect to the IDP and budget if the IDP and budget are fully aligned with each other. The SDBIP therefore serves as a contract between the administration, the Council and the community, expressing the objectives set by Council as quantifiable outputs that can be implemented by the administration over the next twelve months. The SDBIP facilitates the process of holding management accountable for their performance. It provides the basis for measuring performance in the delivery of services.

The SDBIP enables the Municipal Manager to monitor the performance of Senior Managers, the Executive Mayor to monitor the performance of the Municipal Manager, and the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the Executive Mayor and the Municipal Manager, and the Municipal Manager and Senior Managers.

The SDBIP consists of two core components, the Top Layer/Level SDBIP (TL SDBIP) which focuses on the strategy and key reporting requirements as well capital budget allocated projects and the Departmental/Organisational SDBIP that measures the departmental performance, the operational matters that those divisions are responsible for.

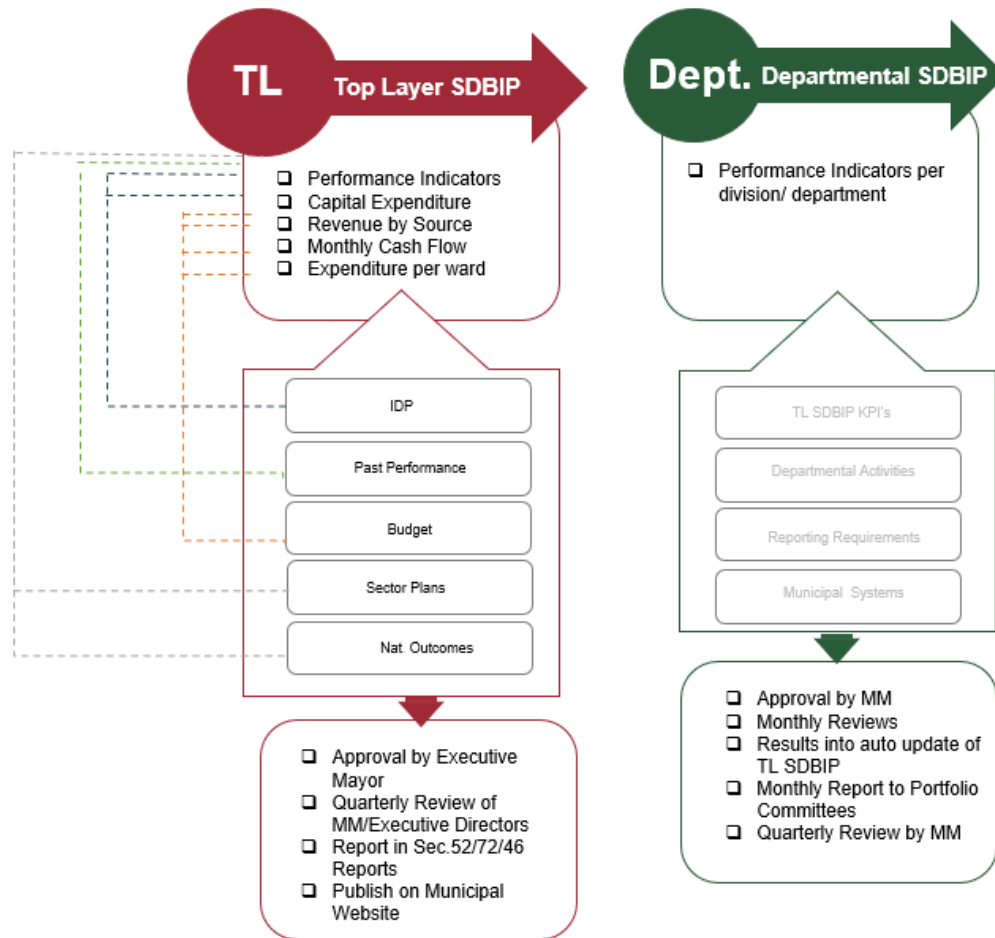


Figure 5: Components of the SDBIP

**Top Layer:** Dealing with consolidated service delivery targets and linking such targets to top management.

**Departmental Layer:** Senior Managers provide more detail on each output for which they are responsible for and breaks up such outputs into smaller outputs and linking these to middle-level and lower-level management.

### 5.3 Top Layer SDBIP

The TL SDBIP indicates the responsibilities and outputs for each of the Head of Department in the top management team, the inputs to be used and the time deadlines for each output. The TL SDBIP will therefore determine the performance agreements of the Municipal Manager and Senior Managers, including the outputs and deadlines for which they will be held responsible. The TL SDBIP is also the part of the SDBIP that's made available to the public.

The TL SDBIP must be submitted to the Executive Mayor within 14 days after the approval of the budget and must be approved by the Executive Mayor within 28 days after the budget has been approved. The TL SDBIP is a public document and must be made public within 14 days after approval.

Any adjustments to the TL SDBIP must be with the approval of the Council, following approval of an

adjustments budget (Section 54(1)(c) of MFMA).

Although the TL SDBIP is a **one-year** detailed plan, it should include a **three-year capital plan**.

The Components of the TL SDBIP includes:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (operating and capital) and revenue for each vote (Section 71 format) (Cash flow statement);
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators
- Level and standard of service being provided to the community;
- Ward information for expenditure and service delivery;
- Baseline information indicating the status quo of the Municipality for that particular year; and
- Detailed capital works plan broken down by ward over three years (Capital project sheet).

On the current system that the municipality utilise, the TL SDBIP KPI's will update automatically from the performance reported on monthly in the Departmental SDBIP.

The results will be reviewed quarterly by the Municipal Manager and the Senior Managers. The actual results and corrective actions (where required) forms a critical part of the quarterly (s52 - MFMA), the mid-year (s72 - MFMA) and the annual performance (S46 - MSA) annual (S121 - MFMA) reports.

### **5.3.1 Technical Indicator Descriptions**

Technical Indicator Descriptions (TID's) must be prepared for each TL SDBIP KPI. TID's are essential as to improve the understanding of the requirements of the KPI, the portfolio of evidence (POE) collection and it supports audit procedures. The TID's should address the following:

- KPI Ownership
- Definition of KPI
- Input
- Source documentation origin
- Source documentation information
- Processing transactions
- Output
- Target calculation methodology
- Controls

Regular updates should be done to ensure that the TID's are accurate and relevant. The review of the system descriptions must be done prior to an audit.



## 5.4 Departmental SDBIP

In the Departmental SDBIP, the Senior Managers provide more detail on each output for which they are responsible for and break up such outputs into smaller outputs and linking these to middle-level and lower-level management.

The Departmental SDBIP will be using such detail to hold middle-level and lower-level managers responsible for various components of the service delivery plan and targets of the municipality. The Departmental SDBIP is compiled by a Head of Department for his/her department and is approved by the Municipal Manager. Any changes to the Departmental SDBIP must be approved by the Municipal Manager.

Each KPI should have clear monthly targets and should be assigned to the person responsible for the KPI's. A good performance indicator (KPI) should be:

- **Reliable** -The indicator should be accurate enough for its intended use and respond to changes in the level of performance
- **Well defined** – The indicator needs to have a clear, unambiguous definition so that data will be collected consistently and be easy to understand and use
- **Verifiable** – It must be possible to validate the process and system that produce the indicator
- **Cost-effective** – the usefulness of the indicator must justify the cost of collecting the data
- **Appropriate** – The indicator must avoid unintended consequences and encourage service delivery improvements and not give managers incentives to carry out activities simply to meet a particular target
- **Relevant** - The indicator must relate logically and directly to an aspect of the institutions mandate and the realisation of strategic goals and objectives

The KPI targets should be **SMART** (specific, measurable, achievable, relevant and time-bound).

Senior Managers, middle-level and lower-level management managers can use the departmental SDBIP to manage the performance of all the sections of his/her department and can monitor it monthly during the departmental management meeting.

Although divisions must update the actual results on the Departmental SDBIP monthly, they will report their performance in terms of the SDBIP to their respective Portfolio Committees quarterly. Decision-makers should be warned immediately of any emerging failures to service delivery so that they can intervene, if necessary. It is important that Departments use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. The SDBIP report submitted should be used to analyse and discuss performance. Changes in indicators and targets on the Departmental SDBIP may be proposed, but can only be approved by the Municipal Manager.

## 5.6 Update of Actual Performance

The SDBIP system that the municipality currently utilises allows for the TL SDBIP to be updated automatically with the actual results reported in the departmental SDBIP. The departmental SDBIP must be updated monthly. The KPI owners should report on the results of each KPI that they are responsible for by properly documenting the information in the performance response fields and either attach or refer to where the proof/portfolio of evidence (POE) is filed/kept. The appropriate POE and details regarding filing of a POE is documented in a separate document/ policy. In the instance of poor performance, corrective measures must be identified and documented. The POE should speak to the actual performance achieved and confirm the actual as was updated.

The actual performance and POE should be monitored monthly in terms of the objectives, KPI's and targets set.

It is important to note that the Municipal Manager and Senior Managers need to implement the necessary systems and processes to provide the POE for reporting and auditing purposes. Each municipal department and staff member therefore need to prove the achievement of their performance so that it can be measured during performance monitoring and reviews. This information is also used to report performance and for internal and external audit purposes.

## 5.7 Adjustments to KPI's

### 5.7.1 Top Layer SDBIP Adjustments

TL SDBIP KPI's can be adjusted after the mid-year assessment and with the adjustment budget process. KPI's should be adjusted in line with the adjustment estimate (incl. capital projects) and the reason for the adjustment of the indicator/target, must be specified when the adjusted TL SDBIP is submitted to Council for approval in terms of Section 54(1)(c) of the MFMA.

### 5.7.2 Departmental Layer SDBIP Adjustment

The Departmental SDBIP KPI's can be adjusted after the mid-year evaluations of staff have been completed in order to ensure corrective actions/measures have been applied. These adjustments can be to the KPI, unit of measurement, targets, calculation types, POE, etc. Before adjustment can be made valid and credible reasons must be provided for the changes. The Executive Director must recommend these changes via the Performance Management Unit and the changes to the Departmental SDBIP must be approved by the Municipal Manager.

## 5.8 Validation

An evaluation of the actual performance results and portfolio of evidence (POE) of each target should be evaluated monthly. The KPI owners should report on the results of the KPI by documenting the following information on the SDBIP system:

- The actual result in terms of the target set;
- The calculation of the actual performance reported, where applicable;

- The reasons if the target was not achieved; and
- Corrective actions to improve the performance against the target set, if the target was not achieved.

The Municipal Manager and Senior Managers need to implement the necessary systems and processes to provide the POE for reporting and auditing.

## 6. INDIVIDUAL PERFORMANCE

Once the municipal objectives and targets have been set, it is prudent to cascade these down to management and employees. Section 9(2) of the Local Government Municipal Planning and Performance Regulation (Regulation 796), indicates "In setting key performance indicators, a municipality must ensure that the key performance indicators inform the indicators set for all its administrative units and employees." Therefore, the performance of the municipality is integrally linked to that of the personnel. It is therefore important to link the organisational performance to individual performance and to manage both at the same time, but separately.

Performance of the Municipal Manager and managers reporting direct to the Municipal Manager, are regulated and evaluated in terms of Regulation 805, whilst performance of all other staff are regulated and evaluated in terms of Regulation 890 since 1 July 2022. (Extension was provided till 01 July 2023 by Circular 12.)

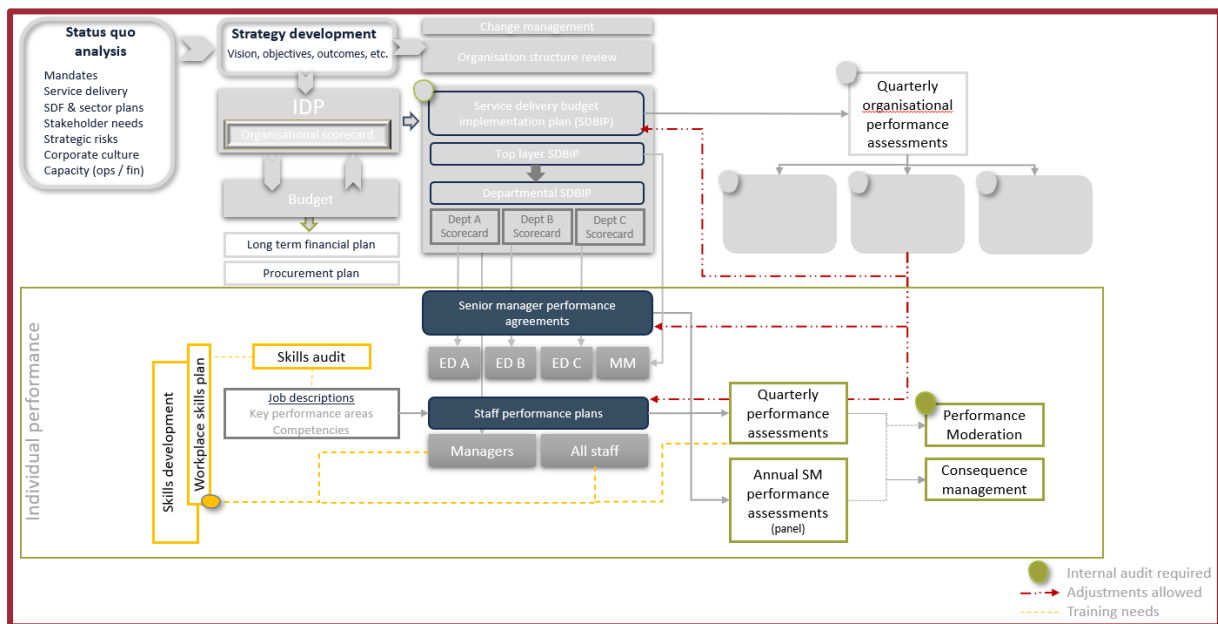


Figure 6: Individual performance included in the performance management system

Managing performance is therefore a key management tool to ensure that:

- Employees know what is expected of them;
- Managers know whether the employee's performance is delivering the required objectives;
- Poor performance is identified and improved; and
- Good performance is recognised; and



- Development of employees are promoted

Since the performance of every employee contributes to the overall delivery of the organisation's objectives, it follows that the performance of every employee should be managed.

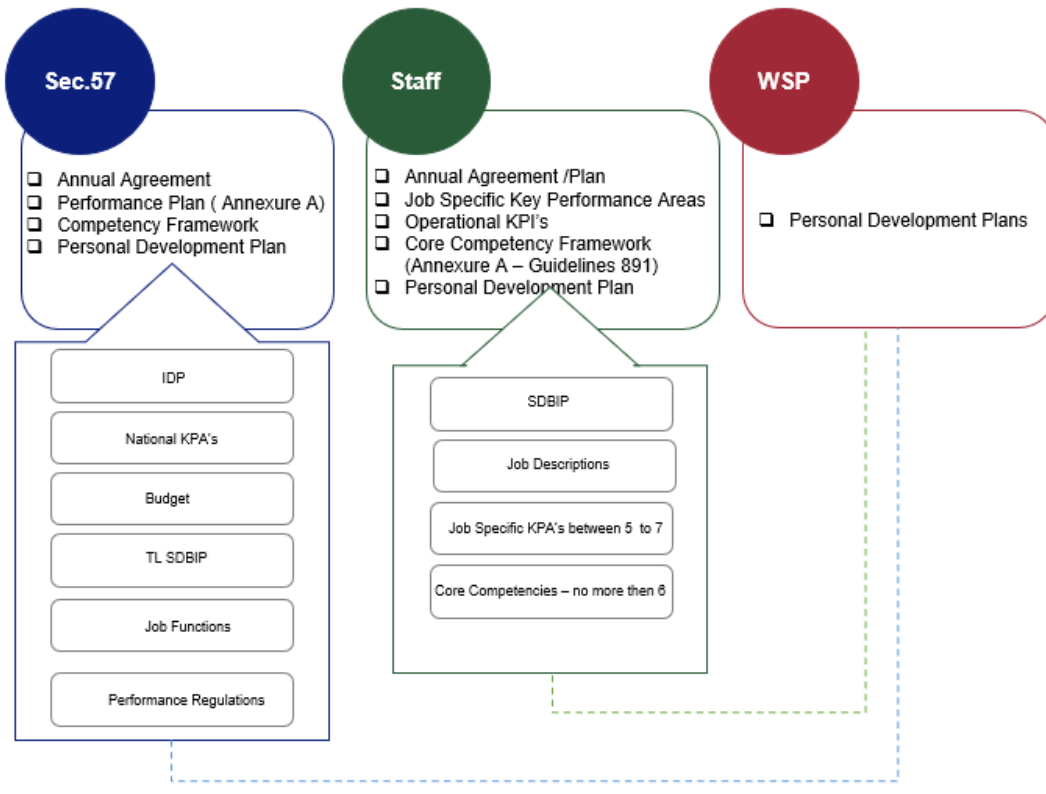


Figure 7: Individual performance components

## 6.1 Municipal Manager and Senior Managers

### 6.1.1 Performance Agreements

The MSA and Regulation 805 of August 2006, read with Regulation 21 of January 2014 (Performance of the Municipal Manager and the Managers reporting directly to the Municipal Manager) require, that a Municipal Manager and managers reporting directly to the Municipal Manager enter into annual performance agreements. The performance agreements of the Municipal Manager and Senior Managers should be directly linked to their employment contract, where applicable.

Draft annual performance agreements must be submitted to the Executive Mayor within 14 days of the approval of the annual budget in terms of the MFMA, Section 69(3). In terms of Section 53(3) of the MFMA the performance agreements must be made public no later than 14 days after the approval of the SDBIP. The agreements must be concluded within one month after the beginning of each financial year – MSA, Section 57(2). These performance agreements consist of three distinct parts:

#### a. Performance Agreement

This is an agreement between the Municipal Managers and Senior Managers and the municipality, which regulates the performance required for a particular position and the consequences of the

performance. The agreement deals with only one aspect of the employment relationship, namely performance and development. This agreement must be reviewed and renewed annually, subject to the individual's annual performance.

### ***b. Performance Plan***

The performance plan is an Annexure (Annexure A) to the performance agreement and stipulates in detail the performance requirements for a single financial year. The SDBIP (sorted per Head of Department) transcends into the performance plan(s) of the Municipal Manager and the respective Senior Managers according to their areas of responsibility. The Municipal Manager and Executive Mayor could, in addition to the SDBIP, identify indicators, agreed with the Municipal Manager and Senior Managers, which could be included in the agreement.

### ***c. Personal Development Plan***

The development plan is an Annexure (Annexure C) to the performance agreement and addresses the developmental needs/ requirements of the person indicating actions and timeframes.

Performance plans included weights per indicator based on the importance of the indicator. Performance agreements are mutually agreed to by the Municipal Manager and Senior Managers / Municipal Manager and Executive Mayor and must be approved/signed within the first month of the financial year or within 3 months after the start of new employment.

## ***6.1.2 Evaluation Municipal Manager and Senior Managers***

The management of the performance process for the Municipal Manager and the Senior Managers must be done in terms of R805 and Regulation 21 as explained in detail in these Regulations. Performance should be reviewed quarterly, of which the mid-year and year-end performance must be formal evaluations. Performance panels should be constituted in terms of the agreements for the formal evaluations and the results should be reported to Council. In terms of Regulation 805 an evaluation panel constituted of the following persons must be established to evaluate the annual performance of the Municipal Manager

- Executive Mayor;
- Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;
- Member of the Executive Mayoral or executive committee;
- Executive Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Executive Mayor.

**\*Laingsburg Municipality has an Audit Committee which also constitutes as the Performance Audit Committee**

In terms of Regulation 805 an evaluation panel constituted of the following persons must be established to evaluate the managers directly accountable to the Municipal Manager:

- Municipal Manager;



- Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;
- Member of the Executive Mayoral or executive committee; and
- Municipal Manager from another municipality.

Human Resources Manager must be present during both panels evaluation proceedings in order to take the minutes.

In terms of applicable legislation formal mid-year and final evaluations of performance must occur as follow:

**Period 1** (1 July – 30 September): Due by– 30 October annually (informal documented discussion)

**Period 2** (1 October – 31 December): **Due by– 30 January annually** (formally with panel)

**Period 3** (1 January – 31 March): Due by – 30 April annually (informal documented discussion)

**Period 4** (1 April – 30 June): **Due by – 30 December annually** (formally with panel)

### ***6.1.3 Municipal Manager and Senior Managers Evaluation Source Documentation***

The onus of keeping credible and verifiable evidence is the responsibility each manager. A POE must be made available to panel members before the formal evaluations take place. This is to ensure scrutiny of the documented evidence that substantiate the actual reported evidence.

## **6.2 All other Personnel**

### ***6.2.1 Performance Agreements/Performance Development Plans***

Regulation 890, Chapter 4, Performance Management and Development System states:

Section 32 (1) The performance management and development system apply to all staff members of a municipality” (Excluding Senior Managers). An employee shall enter into a performance agreement with his or her direct supervisor/line manager for each financial year (1 July -30 June).

The agreements of a serving employee must be concluded by **30 July** (on 29 July) each year within 30 days of the commencement of the new financial year of the municipality whilst the performance agreements of other (appointment after probation as from 01 July of the new financial year; transfer or promotion to a new post or return from prolonged leave that is more than three months) employees must be concluded within 60 days of—

In terms of Section 32 (1) the performance management and development system apply to all employees of the Laingsburg Municipality except employees-

- Appointed on a fixed term contract with a duration of less than 12 months;
- Serving notice —
  - of termination of his or her contract of employment; or
  - to retire on reaching the statutory retirement age;



- Appointed on an internship programme or participating in the national
- Public works programme or any similar scheme; and
- Appointed in terms of sections 54A and 56 of the Act

In terms of the legislative prescribes an employee shall:

- Participate in setting his or her annual KPAs and KPIs
- Enter into a performance agreement annually with the Municipality
- Remain committed to the KPAs and KPIs throughout the performance period and be accountable for his or her performance
- Take responsibility for his or her personal development and learning opportunities
- Where applicable, maintain a portfolio of evidence if required
- Ensure that the portfolio of evidence is relevant and up to date
- Actively seek out and be open to feedback; and
- An employee shall understand what is expected of him or her.

Performance agreements and/or performance development plans will be agreed with each employee and should include the following information as stated by Guideline 891:

**a. Personal information**

Details relating to the employee (name and surname), job title and his/her designation (department) and supervisor.

**b. Key Performance Areas**

The supervisor or superior of the individual together with the staff member must ensure that the performance management is aligned to the staff member's job and KPA's relevant to the post as depicted on the individuals Job Description, that the staff member holds. The KPA's must relate to the staff member's functional area and must consist of not less than 5 and not more than 7 KPA's. As per the Job Description.

**c. Key performance indicators**

The KPI's include the inputs, activities, programmes or outputs by which performance in respect of KPA's are measured. A KPI must be measurable and verifiable. Where applicable KPI's delegated to employees from the SDBIP can be included here. New KPI's can be added to existing KPI's (from the SDBIP) or new KPI's can be created for employees who do not have KPI's on the SDBIP from the Job Activities Library.

Specific targets should be set as per the "SMART" principles and must be accompanied by a valid and credible POE.

The performance standard for each KPI may be qualitative or quantitative.



#### **d. Target**

Once a set of suitable indicators has been defined for a specific programme or project, the level of performance the employee should strive to achieve must be set. This should be done by setting suitable performance targets relative to the current baseline. The target should be in terms of the SMART principles as state by the Framework for Manging Performance Programme.

#### **e. Performance Standards**

Performance Standards for each KPI should be expressed in order to indicate the minimum acceptable level of performance. These should be informed by legislative requirements, departmental policies and service level agreements. It can also be benchmarked against performance levels in other institutions, or according to accepted best practices. The decision to express the desired level of performance in terms of a target depends on the nature of the performance indicator.

#### **f. Core Competencies**

The job specific competencies, as derived from Annexure A of the Municipal Staff Regulations (Gazette no. 45181), and as listed on an individual's JD must be included with the performance agreements of each staff member. The following prescribes are applicable and must be included:

- (i) the name and definition of the specific competency;
- (ii) the expected level of capability;
- (iii) the relevant weightings;

Furthermore, the competencies must be specific and applicable to the job (as per the job description) of the employee and should not exceed six (6) competencies within a performance cycle.

#### **g. Weights**

In terms of the weights the criteria upon which a staff member is assessed consists of two components as defined above being the KPA's (80%) and the core competencies (20%). A KPA weight must be allocated and where applicable, weights must be allocated to each KPI that will relay back to the specific KPA's overall weight percentage. Weights allocated should indicate the relative importance of a KPI. The weights and the distribution of the weights per KPI need to be determined by the Head of Department/ applicable manager/ supervisor/ staff member in the beginning of each financial year and agreed with the employee or group of employees.

Each core competency as selected from the specific competency framework the position belongs to, as per the applicable level, must be provided with a weight as well.

Once the performance is assessed an overall score combined by the KPA weighting and core competencies weight will be evaluated out of a 100%.

#### **h. Personnel Development Plan**

Every employee must have a personal development plan that identifies and addresses employees' developmental needs that were identified during the performance review or assessment.



- The personal development plan should contain the actions and timeframes agreed to by the relevant supervisor and employee.
- An employee may only undergo training that is –
  - (i) contained in personal development plan or
  - (ii) approved by the municipal manager or his/her delegate

The Personal Development Plan will address the identified training needs. The following should be carefully considered during the identification of training needs:

- Organisational needs;
- The competency requirements of individual jobs. The relevant job requirements (job competency profile) as identified in the job description should be compared to the current competency profile to determine the individual's competency gaps;
- Specific competency gaps and training needs identified during evaluation;
- Individual training needs that are job/career related;
- The training needs should be prioritised since it may not be possible to address all identified training needs in a specific financial year. It is however of critical importance that training needs be addressed on a phased and priority basis. This implies that all these needs should be prioritised for purposes of accommodating critical/strategic training and development needs in the HR Plan and Workplace Skills Plan;
- Consideration must then be given to the expected outcomes, so that once the intervention is completed the impact it had can be measured against relevant output indicators; and
- An appropriate intervention should be identified to address training needs/skills gaps and the outcome to be achieved but with due regard to cost effectiveness.

The performance objectives and targets reflected in the performance agreements/performance development plans are set by the employer in consultation with the employee and based on the IDP, SDBIP and budget of the municipality, job descriptions, and shall include key performance indicators; target dates and weights (where applicable). Senior Managers should be part of the performance planning for lower levels when compiling performance agreements/performance development plans.

The Performance Management Section should annually after the performance agreements/performance development plans are completed, do a sample check of performance agreements/performance development plans for quality purposes.

### ***6.2.2 Team-based performance management and development system***

The Municipality may establish a team-based performance management and development system for a category of staff below the level of a supervisor that will assist the Municipality in managing probation, rewards and skills development of staff members, which is consistent with the principles of the Regulation's chapter 4.



Before implementing the team-based performance management and development system, the municipality must:

- Pilot the system on a team of staff members in all affected occupational streams; and
- Consult the system with recognised trade unions within the local labour forum.

### **6.2.3 Skills Development Plan**

The Workplace Skills Plan should be compiled/updated on a yearly basis with the information obtained from the performance agreements/performance development plans taking into account legislative compliance in terms of the Annexure A Core Competency Framework as stipulated by Regulation 890 and Guidelines 891. The relevant Human Resources Manager together with the respective line manager/ supervisor is responsible to facilitate the implementation of the Skills Development Plan.

### **6.2.4 Formal Performance Evaluations**

Although performance should be managed daily, the respective supervisor should do quarterly reviews of which the **mid-year** and **final** year must be formal. Constructive feedback should be provided to ensure that performance standards are being upheld. The feedback should be given verbally and recorded in writing to serve as evidence that performance discussion took place between supervisor and employees.

The formal mid-year and final year assessments should be concluded as follows:

**Period 1** (1 July – 30 September): Due by– 30 October annually (informal documented discussion)

**Period 2** (1 October – 31 December): **Due by– 30 January annually** (formally on the electronic web-based system)

**Period 3** (1 January – 31 March): Due by – 30 April annually (informal documented discussion)

**Period 4** (1 April – 30 June): **Due by – 29 August annually** (formally on the electronic web-based system)

The objective of the review should be based on actual performance and performance evidence. The supervisor and employee need to prepare for the review and discuss the performance during a focussed performance meeting.

The employer (supervisor) should prepare by:

- Ensuring that all the information required for the evaluation is available, including obtaining information from other supervisors where required;
- Reviewing the previous period performance and the indicators and targets for the next period;
- Evaluating the level of support required and planning to address the development needs; and
- Provide comprehensive and honest feedback.

The employee should prepare by:





- Ensuring that all the information required for the evaluation is available;
- Identifying new objectives and indicators where required;
- Identifying support and training needed;
- Conduct a self-review; and
- Reflecting on the feedback from the employer.

The assessment of the performance of the employee will be based on the following rating scale:

Level	Terminology	Description
5	<b>Outstanding performance</b>	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Annexure and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	<b>Performance significantly above expectations</b>	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	<b>Fully effective</b>	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Annexure and Performance Plan.
2	<b>Not fully effective</b>	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half of the key performance criteria and indicators as specified in the Performance Annexure and Performance Plan.
1	<b>Unacceptable performance</b>	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the Performance Annexure and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

*Table 3: Performance Rating Scale*

The employer shall keep a record of assessment meetings and signed-off assessments must be submitted to Records Section to be placed on the personnel file of the employee.

### **6.2.5 Portfolio of Evidence**

POE should also be kept for all individual performance assessments. The onus for a credible POE is on the individual, however in terms of Regulation 890 the Municipal Manager must constitute a formal process or assign a staff member responsible for those lower level staff who is unable to physically keep POE records. This process is outlined as part of the POE Policy.

### **6.2.6 Performance Moderation**

#### **a. Departmental Moderation Committees**

The Municipal Manager must establish a departmental moderation committee. The performance moderation process must take place within a reasonable timeframe after the end of the performance cycle, but no later than six months after the end of the financial year must it be concluded. The departmental performance moderation committee must convene annually.

The departmental moderation committee is constituted as follow:

- the relevant heads of departments, who must act as chairpersons in the committees
- All managers directly accountable to the heads of departments (who must recuse from the committee before their assessments are considered by the committee)
- A senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services.

#### **b. Municipal Moderation Committee**

The Municipal Council must establish a municipal moderation committee, who will be responsible for the final moderation outcomes of performance for the specific financial year under review which must be concluded before 31 December.

- The municipal moderation committee is constituted as follow:
- The Municipal Manager, who must act as the chairperson of the committee;
- all heads of departments;
- head of municipal planning and organisational performance;
- head of the municipal internal audit;
- a senior human resource functionary to guide, advise and provide support, including arrangements for secretariat services; and
- a performance specialist, where applicable.

### **6.2.7 Circumstances That Impact on Performance Evaluations**

#### **a. Absence / Maternity leave during the performance cycle**

If an employee is on leave or on sick leave for short periods of time, it should not impact on the performance of the employee. In the case of absence for long periods of time, the employee and

employer should have a discussion to agree on the rating of the performance for the period not absent. The agreement and the new targets agreed should be documented and be attached to the original agreement.

The employer must carefully consider the rating and assessment of an employee who has been on prolonged leave of absence, to balance the rights of those who were absent with the contribution of those who had to do more work because of others being absent.

#### ***b. Acting in higher positions***

When an employee is appointed to act in a higher position for shorter than twelve weeks, the performance plan should be based on the post that the employee is permanently appointed to. Depending on the employee's performance during the periods of acting, recognition for performance of duties of the higher position should be given during the performance assessment, on the performance agreement/performance plan of the permanent post.

#### ***c. Eventuality for new employees***

Employees that have started service and worked for at least 3 months and longer within a financial year will be evaluated.

#### ***d. Staff Movements***

When employees are transferred at the same level, it is their responsibility to provide their most recent performance assessment to the new department. Where staff members change jobs within the department during the performance cycle, performance reviews related to the employee vacating the post should be completed prior to moving to the new position. If the employee changing jobs is a supervisor or manager, performance reviews for each employee under his/her control should be completed prior to his/her movement. When an employee is transferred to another department, a progress review discussion will be conducted for the current performance cycle prior to the employee leaving the department. In the case of supervisors, regardless of the reason for their departure, they will be required to assess their staff prior to departure.

#### ***e. Misconduct and suspension***

Decisions pertaining to performance rating should be based on an employee's actual performance. In the event of alleged misconduct, some questions need to be posed.

- What was the nature of the misconduct (e.g. financial, management)?
- Was the person found guilty or not?
- If found guilty, what was the nature of the sanction (e.g. discharge, suspension)?
- Did the misconduct and/or sanction impact on performance?
- Was the employee suspended for a prolonged period?

Each case should however be judged on its own merit. If a misconduct charge, and /or the hearing, and/or any sanctions have a serious negative impact on an employee's performance, it would be

difficult to motivate for awarding a 3-rating or higher.

**f. Employees on probation**

In instances where employees are on probation, the results of the performance assessment could assist in determining whether permanent appointment should be considered. The performance of the employees on probation should be evaluated on a monthly basis and the assessment form should be submitted to the Division Human Resources.

**g. Departmental moderation committee**

Section 39(5) describes the process for performance not conforming to the norms and standards as detected by the departmental moderation committee and states:

If the departmental moderation committee has reason to believe that any performance assessment by the supervisor does not conform to performance norms and standards or that there is lack of evidence or information to support the performance ratings, the departmental moderation committee may not reassess, amend or adjust the performance ratings of a staff member, but may refer the assessment back to the relevant supervisor for re-assessment in consultation with the affected staff member.

Upon conclusion of the re-assessment, the departmental moderation committee may reconvene to moderate the assessment of the staff member concerned.

If the supervisor fails to re-assess the staff member within the stipulated timeframe despite the request to do so by the relevant authority or the departmental moderation committee still has reason to believe that the performance ratings are not substantiated, the moderation committee may request the higher-level supervisor to re-assess the relevant staff member. The affected staff member must be consulted and be offered an opportunity to respond.

**6.2.8 Process Flow for Performance Assessments**

- The first step in the assessment allows for self-evaluation by the employee. Employees that do not have access to computers at the workplace must be provided with a hardcopy of their performance development plans to facilitate the process of manual assessment. The signed self-assessment must be submitted to the respective supervisor for capturing.

*Note: when mid-year assessment is concluded time must be allowed for adjustments to be made to the performance agreements as stipulated by Section 37(4) of the Regulation and number 4.2.7 of this document.*

- The second step in the assessment is the official rating of performance by the relevant supervisor/manager or Head of Department. The outcome of the assessment should be discussed between the supervisor/manager or Head of Department in order to clarify gaps between the self-assessment and the rating scored.
- The third step in the assessment constitutes the moderation of performance outcomes by the Departmental Moderation Committee



- The fourth step is the final moderation by the Municipal Moderation Committee and
- Address poor performance, where applicable.

### **6.2.9 Record Keeping**

The system users performance agreements/ performance development plans and assessments will be signed off electronically and stored on the web-based system whilst non-system users will have to be provided with a hardcopy for sign-off and must be submit to Human Resources Division to be placed on the personnel file of the employee.

It is the responsibility of HR to notify the Performance Management Section when an employee has been transferred/left the service/was newly appointed in order to update the details on the performance management system.

### **6.2.10 Amendments to Performance Agreements/Performance Development Plans**

Performance in the municipality takes place in a dynamic environment and a performance plan can therefore never be cast in stone. Even though the initial agreement is signed at the start of the performance cycle, significant changes and additions could on an on-going basis be reflected in the performance agreement/plan when taking the workplace challenges and changes beyond a staff member's/ team's control into account.

The performance plan against which an employee is assessed at the end of a cycle must accurately reflect the employee's actual activities and outputs during the entire performance cycle. Amendments made to performance agreements/ plans must be signed and dated by both the employee and the employer. Performance can only be assessed on mutually agreed indicators and targets.

In terms of the Senior Managers performance agreements adjustments to the Annexure A performance plans can only be done once Council has approved the adjustment Top Layer SDBIP. The adjusted agreements should then be signed-off by the applicable parties and subsequently made public within the legislative timeframe on the Municipal website.

In terms of other personnel amendments / adjustments can only be made after the midyear evaluation has been completed by mutual agreement of both the employee and the supervisor. The performance agreement/plan must be signed-off and dated by both parties to take effect.

## 7. REWARD AND RECOGNITION

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The evaluation of the employee's performance will form the basis for acknowledging outstanding performance or correcting unacceptable performance.

### 7.1 Municipal Manager and Senior Managers

Performance financial rewards will only be applicable with regard to the Municipal Manager and Heads of Departments if such a clause is included in the appointment contract when the person is appointed and as stipulated by Regulation 805.

### 7.2 Performance Rewards

No provision will be made for financial rewards within the municipality for staff falling under Regulation 890. If in future the municipality decides to financially or otherwise reward excellent performance, the policy framework will be adjusted and a separate policy on reward and recognition will be developed as clarification on performance incentives.

### 7.3 Managing Poor Performance

#### 7.3.1 Organisational Performance - SDBIP

In a case where the targets of the Service Delivery Budget Implementation Plan are not met by the department:

- The Service Delivery Budget Implementation Plan provides for corrective measures where targets are not met.
- The quarterly report is sent to council.
- The Head of Department needs to ensure that corrective actions are implemented and that adequate resources are provided for until the target is met.

#### 7.3.2 Individual performance

An employee's performance may either exceed expectations or fall below expected performance standards or planned targets. In the case of unacceptable individual performance, the employer should—

- i) A staff member who receives a performance rating below 3 in terms of the Five-Point Rating table in regulation 38(2) must-
  - be assisted in developing his or her competencies through training, and supervision; and
  - develop a revised personal development plan with his or her supervisor.
- ii) The personal development plan must contain at least—
  - a description of the behaviour and skills that require improvement;
  - a description of the actions that will be undertaken to improve the identified behaviour and skills

- that require improvement;
  - the deadlines for improvement;
  - a schedule of meetings to assess improvements and provide feedback; and
  - details of the potential consequences in the event that there is no improvement in performance.
- iii) The meetings to assess improvements and to provide feedback must be recorded in writing.
- iv) The personal development plan to manage performance improvement must cover a maximum period of six months, at the end of which, a formal evaluation of performance must take place.
- v) The following alternatives must be considered in respect of a staff member whose performance has not improved to at least a performance that is fully effective:
- Continuation of the actions referred to in the personal development plan;
  - alternative actions to improve performance;
  - offering the staff member an alternative job within the municipality that is better suited to the staff member's behaviour and skills; or
  - dismissal owing to incapacity in terms of the provisions of the Labour Relations Act.
- vi) Poor work performance must be dealt with in accordance with item 9 of Schedule 8 to the Labour Relations Act.

#### **7.4 Mentoring and Coaching**

Regular mentoring and coaching sessions must take place between supervisors and employees. These sessions can be used to change an employee's behaviour to ensure that targets are met or exceeded in instances where underperformance was identified.

These coaching and mentoring sessions are important to track employee performance and assists in strengthening competencies expected from employees. All coaching and mentoring sessions must be documented and signed by all parties involved.

Employees may also be required to undergo training to improve their performance. These training needs should be in line with the training needs in their Personal Development Plans.

Coaching, mentoring and training are not only for employees who are underperforming and must also be provided to those employees who are performing well to ensure that employees are improving on their skills and knowledge to enable them to meet the evolving organisational needs.



## 8. APPEALS PROCESS

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### 8.1 Municipal Manager and Senior Managers

The appeals process as prescribed in R805 of August 2006 and as agreed in the employment and performance agreements of the Municipal Manager and Senior Managers will be applicable in instances where they are not in agreement with their final performance evaluations.

### 8.2 Other Personnel:

Should employees not agree with the contents or adjustments of their performance agreement after the performance discussions (a grievance must be lodged within 5 days) or with the final scores that are allocated to them, they may elect to follow the municipality's normal grievance procedures. **Grievances should be logged within 30 days from receiving the final score.** (Reg 891 Section 41)

## 9. SERVICE PROVIDERS

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The municipality do not currently have any municipal entities or service providers who provides a basic municipal service to the local community on behalf of the municipality. The performance monitoring and reporting processes of any other services providers of the municipality are provided for in the Supply Chain Policy of the municipality.

## 10. EVALUATION AND IMPROVEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

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The MSA requires the municipality to annually evaluate its performance management system. It is proposed that after the full cycle of the annual review is completed; the Performance Management Section will initiate an evaluation report, taking into account the input provided by Head of Department and divisions. This report will then be discussed by the Municipal Manager and Senior Managers and finally submitted to the Council for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the MSA;
- The fulfilment of the objectives for a performance management system;
- The adherence of the performance management system to the objectives and principles; and
- Opportunities for improvement and a proposed action plan.

While good and excellent performance must also be constantly improved to meet the needs of citizens and improve their quality of life, it is poor performance in particular that needs to be improved as a priority. In order to do this, it is important that the causal and contributing reasons for poor performance are analysed. Poor performance may arise out of one or more of the following:

- Poor systems and processes;

- Inappropriate structures;
- Lack of skills and capacity;
- Inappropriate organisational culture; and
- Absence of appropriate strategy.

To improve performance, the appropriate response strategy should be chosen:

- Restructuring is a possible solution for an inappropriate structure;
- Process and system improvement will remedy poor systems and processes;
- Training and sourcing additional capacity can be useful where skills and capacity are lacking;
- Change management and education programmes can address organisational culture issues;
- The revision of strategy by key decision-makers can address shortcomings in this regard; and
- Consideration of alternative service delivery strategies should be explored.

Performance analysis is a requirement in order to identify poor performance. The Municipal Manager will implement the appropriate response strategy to improve performance.

## 11. PERFORMANCE MONITORING AND REPORTING

An organization that is performing well is one that is successfully achieving its goals and is effectively executing suitable strategies. Monitoring is the regular collection and analysis of information to track the implementation and measure the performance of the municipality against its pre-determined objectives.

The IDP represents a set of strategic objectives and/or goals about what is aimed to be achieved within the given timeframe. Monitoring provides crucial information about how the municipality is performing and this in turn helps decision makers and other stakeholders to measure whether the organisation is on track in meeting its objectives.

### 11.1 Reporting Intervals

Report	Frequency	To whom	Content	Comments
Departmental SDBIP	Quarterly	Municipal Manager, Senior Managers and Portfolio Committees	Actual results achieved against department SDBIP KPI's	NB: Reasons for non-performance and corrective measures
Top Layer SDBIP (Could serve as sec 52 report as well)	Quarterly (Sec 52 within 30 days after end of quarter)	Municipal Manager, Senior Managers and Council	Actual results achieved against Top Layer SDBIP KPI's	NB: Reasons for non-performance and corrective measures

Report	Frequency	To whom	Content	Comments
Internal Audit reports on performance results	Quarterly	Council and Performance Audit Committee	Audit outcomes from auditing actual results captured/ indicated/ reported on	Outcomes to be used to rectify KPI's and actuals
MFMA Sec 52 report	Quarterly (within 30 days after end of quarter)	Municipal Manager, Senior Managers and Council (Copy to PT and NT)	Actual results achieved against Top Layer SDBIP KPI's	NB: Reasons for non-performance and corrective measures
MFMA Sec 72 report	25 January	Executive Mayor (Submit to next Council meeting after 25 January and copy to PT and NT)	Consists of 2 parts PM: Actual results achieved against Top Layer SDBIP KPI' Finance: As prescribed by NT	Use results/outcome to motivate adjustments budget
MSA Sec 46 report	31 August	AGSA, Council	Consist of chapters 3 & 4 of the AR	Must form part of AR
Annual report	Draft: 31 October to AGSA Draft: 31 January to Council Final: 31 March to Council with oversight report	AGSA, Council, Audit Committee, Oversight Committee (Copy to PT and NT)	As prescribed	NB: If full draft is submitted earlier to Council, remember that final must be submitted within 2 months after draft has been submitted

**Table 4: Reporting Intervals**

## 11.2 Mid-Year Assessment

The performance of the municipality for the first 6 months of the financial year should be assessed and reported on in terms of Section 72 of the MFMA. The accounting officer of a municipality must in terms of Section 72 of the MFMA assess the performance of the municipality for the 1<sup>st</sup> six months of the financial year and submit a report to the Executive Mayor by 25 January. The municipality must during the assessment consider the appropriateness of the targets in terms of the first six months' performance and the adjustment estimate. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustments of KPI's, if necessary

According to Section 33 of the Municipal Budget and Reporting Regulations the mid-year budget and performance assessment referred to in Section 72 must be in the format specified in Schedule C of the Regulation and include all the required tables, graphs and explanatory information taking into

account the guidelines issued by the National Minister.

Although the report is mainly a financial report, one of the Annexures in terms of Section 7(b) of Schedule C requires a performance assessment in relation to the quarterly performance targets for the delivery of basic services in terms of the TL SDBIP.

In summary, the Municipal Manager should:

Analyse the performance in terms of the targets set in the TL SDBIP;

- Preparation of the adjusted TL SDBIP for submission to Council for approval with the Adjustments Budget by the end of February as required by Section 54(1)(c) of the MFMA and Sections 24 to 26 of the Municipal Budget and Reporting Regulations;
- Effecting the approved adjustments on the SDBIP system;
- Adjusting the Annexure A's of the performance agreements of the MSA Section 56 and 57 managers in line with the adjusted TL SDBIP; and
- Adjusting the performance plans of other personnel directly associated with the Departmental SDBIP to ensure alignment.

### **11.3 Annual Performance Report**

The annual performance report must be completed by 31 August and submitted with the financial statements. This report must be based on the performance reported in the TL SDBIP. Reports should be generated from the respective performance management system, reviewed and updated in the performance comments field for reporting purposes. POE should be kept in order to proof recorded actuals.

### **11.4 Annual Report**

The draft annual report must be prepared and submitted to Council by 31 January and the final annual report by 31 March annually.

### **11.5 Analysis of Performance Reports and Follow-up**

In summary, the quarterly (S52 MFMA), mid-year (S72 MFMA) and the annual (S46 MSA) reports should be analysed and reviewed as soon as the reports are available. It will add credibility to the reports when it is published and to the individual performance assessments of the Municipal Manager and Senior Managers.

The analysis should not only focus on POE when the performance results are audited but also on an analysis of the results. The following are important:

- Performance reported should indicate continuous improvement over time and should not only be to the benefit of communities and should focus on outcomes and not only on processes;
- The performance results reported should be a true reflection of the results reported in the performance management system;



- The results should be effectively communicated so that it is of value to the intended users;
- The quality of performing the function should be balanced with the cost of the performance, also to the consumer and not just to municipality; and
- Promotion of equalities and sustainable growth and development should also be reported on.

Actions should be identified to address the performance shortcomings highlighted during the audit. These actions must be recorded and regularly followed-up to ensure performance improvement.

## 12. GOVERNANCE

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The audit of performance information and system should comply with Section 166 of the MFMA and Regulation 14 of the Municipal Planning and Performance Management Regulations (2001). These processes provide credibility to the overall performance processes.

### 12.1 Quality Control and Co-ordination

The Performance Management Section is required to co-ordinate and ensure good quality of performance reporting and reviews on an ongoing basis. It is their role to ensure conformity to reporting formats and verify the reliability of reported information, where possible.

The Municipal Manager/Senior Managers/Heads/Managers/Supervisors/ staff member have the responsibility to ensure credible POE's are kept substantiating performance and the actual results.

The Municipal Manager/Senior Managers/Heads/Managers/Supervisors subsequently have the added responsibility to review overall performance and the quality of reported performance monthly along with the applicable POE.

As mentioned the POE documentation, process and all related organisational arrangements regarding POE's is documented in a separate document/ policy as in terms of Regulation 890/891 the Municipal Manager may exempt categories of staff from maintaining a portfolio of evidence in which case the municipality must determine alternative mechanisms, or designate a staff member who will maintain the POE of those staff members.

### 12.2 Performance Investigations

The Executive Mayor or Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess:

- The reliability of reported information;
- The extent of performance gaps from targets;
- The reasons for performance gaps; and
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that

external service providers, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Mayor for such investigation.

### 12.3 Internal Audit

Section 165 of the MFMA requires that each municipality must have an Internal Audit Unit, however such function may be outsourced.

Internal audit can determine the reliability, accuracy, and integrity of financial and operational information. The MSA, Section 45 stipulates that the results of performance measurements must be audited as part of the municipality's internal auditing processes.

The municipality's Internal Audit Unit should continuously assess the performance reports based on the organisational and departmental scorecards and submit a quarterly internal audit report to the Municipal Manager and Audit Committee.

The audit should include an assessment of:

- The usefulness of performance indicators;
- The functionality of the municipality's performance management system;
- Whether the municipality's PMDS complies with the MSA; and
- The extent to which the municipality's performance measurements are reliable in measuring the performance of the municipality by making use of indicators.

Auditing of performance reports must be conducted by the internal Audit Unit prior to submission to the municipality's Audit Committee and the AG.

### 12.4 Performance Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the Council establish an Audit Committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an Audit Committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate Performance Audit Committee whereas the MFMA provides only for a single Audit Committee. The Audit Committee of LAINGSBURG MUNICIPALITY also fulfils the duties of the Performance Audit Committee. The operation of this Performance Audit Committee is governed by Section 14 (2-3) of the regulations.

According to the Regulations, the Performance Audit Committee must:

- Review the quarterly reports submitted to it by the internal audit unit;
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
- Assess whether the performance indicators are sufficient; and
- At least twice during a financial year submit an audit report to the municipal council.



It is further proposed that the Performance Audit Committee be tasked with assessing the reliability of information reported.

In order to fulfil their function an Audit Committee may, according to the MFMA and the regulations, must:

- Communicate directly with the Council, Municipal Manager or the internal and external auditors of the municipality concerned;
- 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 requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

#### **12.4.1 Role of the Performance Audit Committee**

The Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. The performance investigations should assess:

- The reliability of reported information;
- The extent of performance gaps from targets;
- The reasons for performance gaps; and
- Corrective action and improvement strategies

### **12.5 Legislative Reporting Processes**

The legislative requirements regarding reporting processes are summarised in the following table:

<b>Time frame</b>	<b>MSA/ MFMA Reporting on Performance</b>	<b>Section</b>
<b>Quarterly reporting</b>	The Executive Mayor must within 30 days after the end of each quarter submit a report to council on the implementation of the budget	MFMA S52
	The Internal Auditors must submit quarterly audited reports to the Municipal Manager and to the Performance Audit Committee	MSA Regulation 14(1)(c)
<b>Mid-year reporting</b>	The Performance Audit Committee must review the PMDS and make recommendations to council	MSA Regulation 14(4)(a)
	The Performance Audit Committee must submit a report at least twice during the year a report to Council	MSA Regulation 14(4)(a)
	The municipality must report to Council at least twice a year	MSA Regulation 13(2)(a)



Time frame	MSA/ MFMA Reporting on Performance	Section
	The Accounting officer must by 25 January of each year assess the performance of the municipality and submit a report to the Executive Mayor, National Treasury and the relevant Provincial Treasury.	MFMA S72
Annual reporting	The annual report of a municipality must include the annual performance report and any recommendations of the municipality's audit committee	MFMA S121 (3)(c)(j) & MSA S46
	The accounting officer of a municipality must submit the performance report to the Auditor-General (AGSA) for auditing within two months after the end of the financial year to which that report relates	MFMA S126 1(a)
	The AGSA must audit the performance report and submit the report to the accounting officer within three months of receipt of the performance report	MFMA S126 (3)(a)(b)
	The Executive Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality	MFMA S127(2)
	The AGSA may submit the performance report and audit report of a municipality directly to the municipal council, the National Treasury, the relevant provincial treasury, the MEC responsible for local government in the province and any prescribed organ of the state	MFMA S127 (4)(a)
	Immediately after an annual report is tabled in the council, the accounting officer of the municipality must submit the annual report to the AGSA, the relevant provincial treasury and the provincial department responsible for local government in the province.	MFMA S127 (5)(b)
	The council of the municipality must consider the annual report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing council's comments on the annual report	MFMA S129 (1)
	The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organ of the state	MFMA S130 (1)
	The Cabinet member responsible for local government must annually report to Parliament on actions taken by the MECs for local government to address issues raised by the AGSA	MFMA S134

**Table 5: MFMA Reporting on Performance**

## 13. SUMMARY OF MUNICIPAL PERFORMANCE CYCLE

The following high level process maps summarise the key organisational and individual performance processes. These process maps should be read with the sections dealing with these performance processes:

### 13.1 Top Layer SDBIP



Figure 8: TL SDBIP Process Map

## 13.2 Departmental SDBIP



Figure 9: Departmental SDBIP Process Map

## 13.3 Individual Performance

### 13.3.1 Municipal Manager and Senior Managers

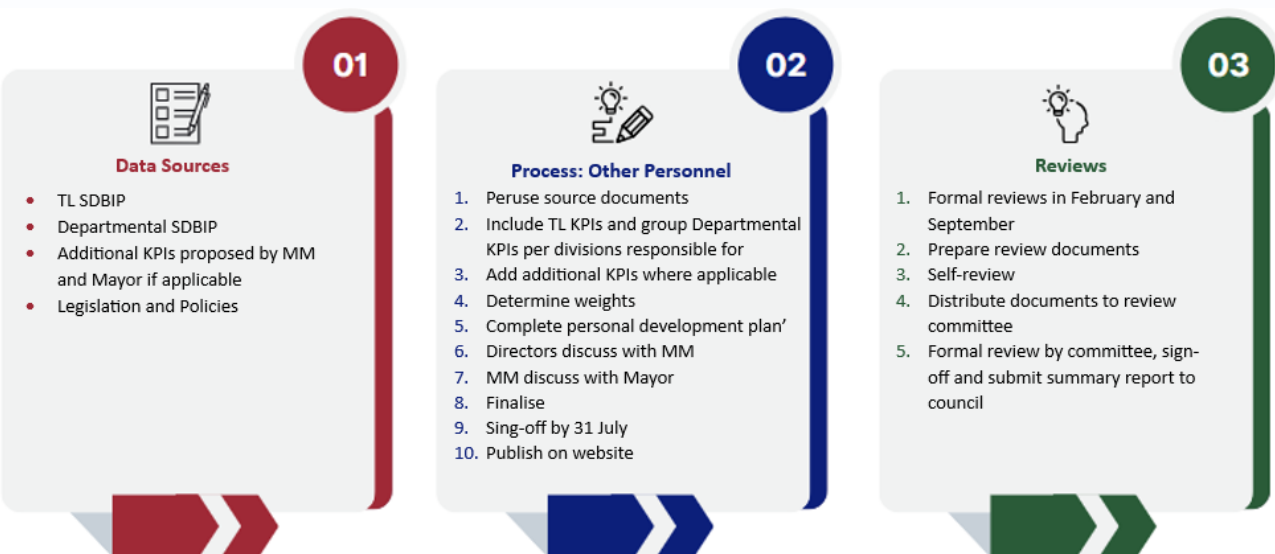


Figure 10

: Individual Performance MM & Senior Managers Process Map

### 13.3.2 Other Personnel

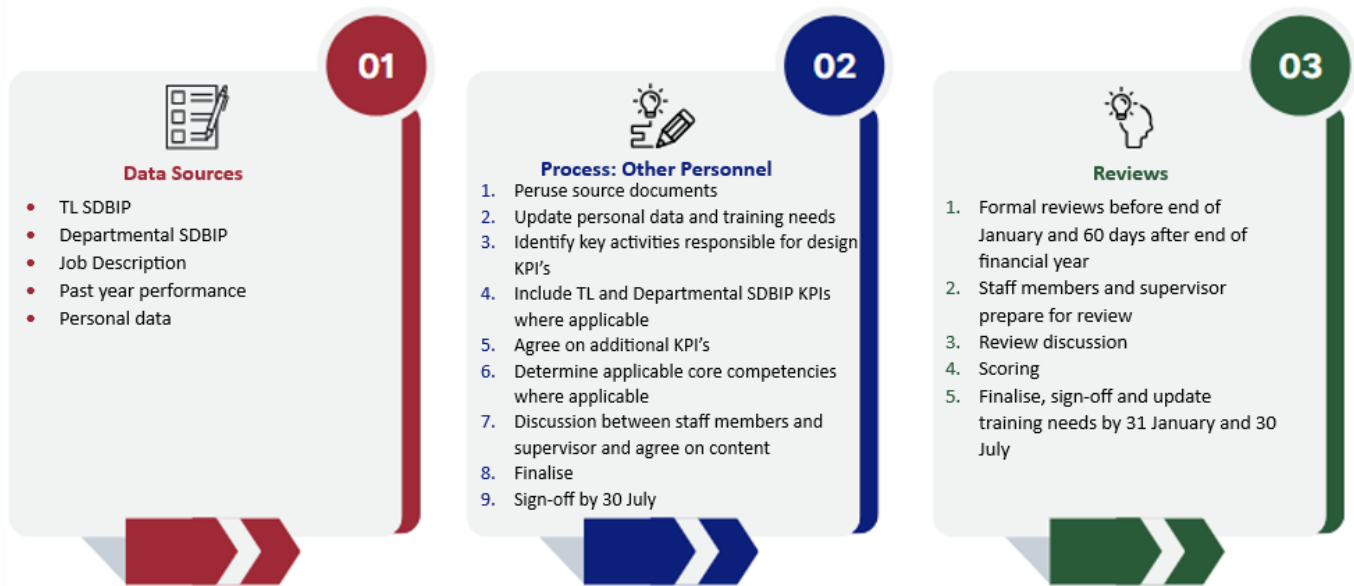


Figure 11 : Individual Performance Other Personnel Process Map

### 13.4 Performance Calendar

The table below indicates a high-Level summary of the annual municipal performance calendar with the various monthly actions:

Action	Activity	Comment
<b>July</b>		
Service Provider Performance	4 <sup>th</sup> Quarter (previous financial year) service provider report Review performance of service providers	Departments to submit reports to SCM SCM to submit combined report to Council Address poor performance if needed
Performance Reporting	4th Quarter performance Report: Top Layer SDBIP (previous financial year)	Input for Annual Performance Report and Annual Report
MM / Senior Managers performance agreements	Prepare/ approval and sign	Prepare agreements ito R805 Approval and signed before 31 July KPI's aligned with SDBIP
Other Staff	Prepare/ approval and sign	Prepare agreements ito R890/891 Approval and signed before 30 July KPI's aligned with JD's Core Competencies aligned to JD's and Annexure A of the staff regulations
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS

Action	Activity	Comment
<b>August</b>		
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Individual Performance (other than MM and Senior Managers)	Formal year-end review of performance	Evaluation of performance for the past 6 months ending June Document and report
IDP	IDP/IDP review Process Plan	Draft process plan to ensure proper planning and involvement of all stakeholders to identify clear objectives and key performance areas Submission to Executive Mayor and Council Approval of plan
Individual Performance (other staff)	Self-Review and Manager Review to be completed as well as identifying the personal growth and development needs	In terms of Reg 890/891
Annual Performance Report	Finalise Annual Performance Report of the previous financial year	Draft report Submit to Auditor General with the financial statements Input for Annual Report
<b>September</b>		
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
MM/Senior Managers Performance	Final year-end performance review of the previous financial year	Review against targets agreed upon in performance agreements Document and sign-off
Individual Performance (other staff)	Previous financial year's Departmental Moderation	Departmental Moderation Committees moderate the actual results from the performance assessments conducted the previous year
<b>October</b>		
Service Provider Performance	1 <sup>st</sup> Quarter current year service provider report Review performance of service providers	SCM to submit combined report to Council Address poor performance if needed
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Performance Reporting	1 <sup>st</sup> Quarter performance Report: Top Layer SDBIP current financial year	Submit to council and other role-players as legislated
MM/Senior Managers Performance	Informal performance discussion	How are we doing, progress and address possible shortcomings
IDP & Budget	Public participation	Consult key stakeholders / role-players Identify potential projects / needs
Annual Report	Finalise draft Annual Report (previous financial year)	Draft to be ready for submission to Auditor-General
<b>November</b>		

Action	Activity	Comment
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Planning	Strategic Planning	<p>Planning sessions with Council, MM and Senior Managers</p> <p>Review Mission, Vision and Values</p> <p>Review progress against strategic objections</p> <p>Review strategic direction</p> <p>Identify projects</p>
<b>December</b>		
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Individual Performance (other staff)	Previous financial year's Municipal Moderation	Municipal Moderation Committees moderate the actual results from the performance assessments conducted the previous year
<b>January</b>		
Service Provider Performance	<p>2<sup>nd</sup> Quarter current year service provider report</p> <p>Review performance of service providers</p>	<p>SCM to submit combined report to Council</p> <p>Address poor performance if needed</p>
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Performance Reporting	Prepare and submit Mid-year performance report in terms of s72 of the MFMA	<p>Submit to Executive Mayor by 25 January</p> <p>Submit to next Council meeting after 25 January</p> <p>Submit to other role-players as legislated</p>
Individual Performance (other staff)	Discussion and Manager Review to be completed as well as identifying the personal growth and development needs	In terms of Reg 890/891, decide on actions to address and amendments/ changes to agreements
Annual Report	Submit draft report to Council	Draft submitted to Council for adoption in principle and start public participation process
<b>February</b>		
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Individual Performance (other than MM and Senior Managers)	Formal review of Individual Performance (other than MM and Senior Managers)	Evaluation of performance for the past 6 months ending December Document and report
MM/Senior Managers Performance	Mid-year formal performance review	Review against targets agreed upon in performance agreements Document and sign-off
Oversight	Oversight Committee considers Annual Report	Compile oversight report for submission to council with final annual report
<b>March</b>		
SDBIP system reporting	Update actual results on SDBIP	Actions to address GAPS



Action	Activity	Comment
	system	
IDP	Draft IDP/IDP review to Council	Include clear objectives and targets
Budget	Draft Budget to Council	Budget aligned with IDP to address IDP objectives
Top Layer SDBIP	Draft Top layer SDBIP	Submit to council for information purposes with draft budget
Annual Report	Final Annual Report submitted to council	Public comment considered Oversight committee report submitted
<b>April</b>		
Service Provider Performance	3 <sup>rd</sup> Quarter current year service provider report Review performance of service providers	SCM to submit combined report to Council Address poor performance if needed
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Performance Reporting	3 <sup>rd</sup> Quarter performance Report: Top Layer SDBIP current financial year	Submit to council and other role-players as legislated
IDP & Budget	Public participation	Obtain public input on draft documents and consult key stakeholders
MM/Senior Managers Performance	Informal performance discussion	How are we doing, progress and address possible shortcomings
<b>May</b>		
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
IDP & Budget	Approval of IDP/IDP review and Budget	Submit final documents to Council
SDBIP	Departmental SDBIP development for the new financial year	Workshops with departments Address departmental responsibilities, key activities, challenges and risks; inputs and timeframes
Individual Performance	Update the Work Place Skills Plan	Align needs with the skills as per mid-year performance reports
<b>June</b>		
SDBIP system reporting	Update actual results on SDBIP system	Actions to address GAPS
Top Layer SDBIP	Top Layer SDBIP approval	Top Layer SDBIP to be submitted to Executive Mayor within 14 days after budget approval Approval by Executive Mayor within 28 days after budget approval
SDBIP	Approval of departmental SDBIP	Submit final to the MM for approval

**Table 6: Performance Calendar**



The proposed performance management framework is aimed at guiding the municipality in the development of a performance management system which will contribute to improving the municipal performance and enhance service delivery. The framework is developed 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.

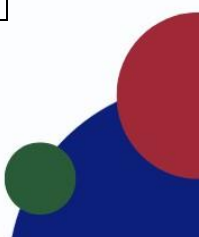
The process of implementing PMDS must be seen as a learning process, where we are continuously improving the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

## 14. ROLES AND RESPONSIBILITIES

The following table indicates the roles and responsibilities of the stakeholders in performance planning, measurement and analysis and performance reporting and reviews:

ROLE PLAYER	ROLES AND RESPONSIBILITIES
<b>Municipal Council</b>	<p>The Municipal Council adopts and approves amongst others the following:</p> <ul style="list-style-type: none"> <li>○ A process plan to guide the planning, drafting, adoption and review of the IDP;</li> <li>○ The IDP including organisational indicators and targets;</li> <li>○ Changes to the IDP, organisational indicators and targets;</li> <li>○ The Performance Management Policy Framework; and</li> <li>○ Oversight mechanisms and structures</li> <li>○ Establishment of the Municipal Moderation Committee</li> </ul>
<b>Executive Mayor</b>	<p>The responsibilities of the Executive Mayor includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Identifies, reviews and evaluates the municipality's needs in order of priority;</li> <li>○ Recommend strategies, projects and services to the Council in order to address priorities;</li> <li>○ Concludes the performance agreement, including measurable key performance indicators (KPI's) and targets for the Municipal Manager;</li> <li>○ Performance evaluations of the Municipal Manager;</li> <li>○ Ensures the performance agreements of Section 57 employees are made public;</li> <li>○ Approves the Top Layer SDBIP and municipal projects as per the IDP; and</li> <li>○ Presents the mid-year and annual report to Council.</li> </ul>
<b>Executive Committee</b>	<p>The responsibilities of the Executive Committee includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Provide strategic awareness and manage the development of the IDP and PMDS; and</li> <li>○ Monitor progress via portfolio Committee meetings and advise the Executive Mayor accordingly.</li> </ul>
<b>Portfolio Committees</b>	<p>The responsibilities of the Portfolio Committees includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Monitor and make recommendations on the implementation of the municipal strategy;</li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>○ Monitor make recommendations on the implementation of the IDP; and</li> <li>○ Monitor make recommendations on the implementation of the SDBIP.</li> </ul>
<b>Municipal Manager (MM)</b>	<p>The responsibilities of the Municipal Manager includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Provide strategic direction and develop strategies and policies for the organisation;</li> <li>○ Manage the development and implementation of the IDP;</li> <li>○ Development of the PMDS;</li> <li>○ Identify indicators and set targets;</li> <li>○ Ensure that KPI's are useful and relevant;</li> <li>○ Submission of the draft Top Layer SDBIP to the Executive Mayor;</li> <li>○ Manage the implementation of the PMDS;</li> <li>○ Conclude performance agreements, including measurable KPI's and targets for Municipal Manager and Senior Managers;</li> <li>○ Monitor the implementation of the IDP and the PMDS, identifying risks early;</li> <li>○ Performance evaluations of the Municipal Manager and Senior Managers;</li> <li>○ Ensure that regular monitoring, measurement and analysis of performance information takes place and ensure performance reporting is done in terms of legislation;</li> <li>○ Propose response strategies to the Executive Mayor and Council; and</li> <li>○ Co-ordinate the compilation of the Mid-year and Annual reports</li> <li>○ Determine the process for keeping of POE's</li> </ul>
<b>Senior Managers</b>	<p>The responsibilities of the Senior Managers includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Assist in providing strategic direction and developing strategies and policies for the organisation;</li> <li>○ Assist the Municipal Manager with the development and implementation of the IDP;</li> <li>○ Ensure that their performance agreements are inclusive and that mandatory KPI's are included as per legislative requirements;</li> <li>○ Ensure that performance information complies with the SMART (specific, measurable, achievable, relevant and time-bound) principles and audit standards of the AGSA;</li> <li>○ Ensure that accurate, reliable and evidenced performance results are provided for performance monitoring on a monthly and quarterly basis;</li> <li>○ Ensure that evidence to support the performance achievements is collected, stored and submitted for internal and external audit purposes;</li> <li>○ Conclude performance agreements, including measurable key performance indicators and targets for immediate subordinates (Division Heads / Managers) and performance development plans for lower level staff where applicable; and</li> <li>○ Performance evaluation of immediate subordinates (Division Heads / Managers) and lower level staff where applicable.</li> </ul>
<b>Managers</b>	<p>The responsibilities of the Division Heads include amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Ensure that their performance agreements are inclusive and that mandatory KPI's are included as per legislative requirements;</li> <li>○ Ensure that performance information complies with the SMART (specific,</li> </ul>



ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<p>measurable, achievable, relevant and time-bound) principles and audit standards of the AGSA;</p> <ul style="list-style-type: none"> <li>○ Ensure that accurate, reliable and evidenced performance results are provided for performance monitoring on a monthly and quarterly basis;</li> <li>○ Ensure that evidence to support the performance achievements is collected, stored and submitted for internal and external audit purposes;</li> <li>○ Draft performance agreements, including measurable KPI's and targets for subordinates and performance development plans for lower level staff where applicable; and</li> <li>○ Performance evaluation of all employees within the division;</li> <li>○ Mentoring and coaching is being conducted in order to promote skills development</li> </ul>
<p><b>Supervisors</b></p>	<p>The responsibilities of the Supervisors include amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Ensure that performance information complies with the SMART (specific, measurable, achievable, relevant and time-bound) principles and audit standards of the AGSA;</li> <li>○ Ensure that accurate, reliable and evidenced performance results are provided for performance monitoring on a monthly and quarterly basis;</li> <li>○ Ensure that evidence to support the performance achievements is collected, stored and submitted for internal and external audit purposes;</li> <li>○ Draft performance agreements, including measurable KPI's and targets for subordinates and performance development plans for lower level staff where applicable; and</li> <li>○ Performance evaluation of all employees reporting to;</li> <li>○ Mentoring and coaching is being conducted in order to promote skills development.</li> </ul>
<p><b>Other Staff</b></p>	<p>The responsibilities of the other staff members include amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Assist with the draft performance agreements, including measurable KPI's and targets are agreed upon and signed-off</li> <li>○ Ensure that accurate, reliable and evidenced performance results are provided for performance monitoring on a monthly and quarterly basis;</li> <li>○ Ensure that evidence to support the performance achievements is collected and stored for submission to the supervisor for performance assessments;</li> <li>○ Ensure that skills acquired are submitted to the responsible supervisor or HR for updating the PDP</li> </ul>
<p><b>Performance Management Section</b></p>	<p>The responsibilities of the Performance Management Section includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ The implementation of the Performance Management Policy Framework;</li> <li>○ Co-ordinate and ensure good quality of performance reporting and reviews on an ongoing basis;</li> <li>○ Ensure conformity to reporting formats and verify the reliability of reported information, where possible;</li> <li>○ Prepare the quarterly Top Layer SDBIP performance reports for submission to Council;</li> <li>○ Render municipal wide support with updating of actual performance and</li> </ul>



ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<p>correcting of performance information; and</p> <ul style="list-style-type: none"> <li>○ Render municipal wide support and assistance with the drafting of individual performance agreements and performance development plans including the development of measurable individual KPI's and targets</li> <li>○ Conducting workshops to facilitate understanding of the system and its application in defining and measuring organisational goals and accomplishment;</li> <li>○ Ensure skills gaps are addressed through the focused training of employees</li> </ul>
<p><b>Human Resources Department</b></p>	<p>The responsibilities of the Human Resources Section includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ The implementation of Individual Performance throughout the organisation</li> <li>○ Ensuring that individual performance are conducted within the prescribed timeframes</li> <li>○ Ensure record keeping of performance management results</li> <li>○ Ensuring that JD's are maintained and aligned with the Performance Agreements</li> <li>○ Updating of the Work Place Skills Plan in line with skills development needs as determined by the PDP's</li> <li>○ Ensure that the performance management and development system is collaborative, transparent and fair</li> <li>○ Establish a consistent system in collaboration with the MM record keeping related to the performance of all staff throughout the organisation</li> <li>○ Ensure moderation committees are established for departmental moderation municipal moderation</li> <li>○ Establish processes to manage substandard performance</li> <li>○ Provide secretariat services to the Senior Managers Evaluation Committees</li> <li>○ Provide secretariat services to the Municipal Moderation Committee</li> <li>○ Attend all Municipal Moderation Committees</li> <li>○ Report on the actual performance on moderating (mid-year report on performance results to the EXCO)</li> <li>○ Oversee the effective implementation of mentoring coaching</li> </ul>
<p><b>Internal Audit</b></p>	<p>The responsibilities of Internal Audit includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Quarterly audit the performance measurement of the municipality;</li> <li>○ Submit quarterly reports on their audits to the Municipal Manager and the Audit Committee; and</li> <li>○ Provide input to management in terms of the quality of the performance indicators.</li> </ul>
<p><b>Performance Management Steering Committee</b></p>	<p>The responsibilities of the Steering Committee includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Oversee or directly responsible for the compilation of all inter-municipality documentation regarding the PMDS, including explanatory briefs and performance monitoring and evaluation forms for the staff appraisals</li> <li>○ Review this policy from time to time and make recommendations to council to ensure the development of mechanisms, systems and processes for performance monitoring, measurement and review to champion the development of the system down to other staff levels;</li> <li>○ Make recommendations and oversee synergizing of the IDP, Budget and PMDS processes;</li> <li>○ Link all PMDS actions to specific timeframes;</li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>○ Policy reflects the PMDS as it unfolds.</li> </ul>
<b>Performance Management Audit Committee</b>	<p>The responsibilities of the Audit Committee includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Review the quarterly reports submitted by Internal Audit;</li> <li>○ Review the PMDS of the municipality and report to the Council in this regard; and</li> <li>○ Submit an audit report to Council at least twice a year;</li> <li>○ The full Audit Committee has been appointed as the Performance Audit Committee by Council resolution;</li> <li>○ May request any Municipal documentation to investigate if it deems necessary;</li> <li>○ May conduct any special meetings called by its members if required;</li> <li>○ Consults directly with the Municipal Manager;</li> <li>○ Must determine its own procedures in consultation with the Executive Mayor;</li> <li>○ May officially request any person to attend the meeting</li> </ul>
<b>Municipal Public Accounts Committee</b>	<p>The responsibilities of the MPAC includes amongst others the following:</p> <ul style="list-style-type: none"> <li>○ In terms of Section 129, within two months from the date of tabling of the annual report, must adopt an oversight report containing the council's comments, which must include a statement whether the council: <ul style="list-style-type: none"> <li>○ has approved the annual report with or without reservations;</li> <li>○ has rejected the annual report; or</li> <li>○ has referred the annual report back for revision of those components that can be revised</li> </ul> </li> <li>○ In terms of Section 132, the following documents must be submitted by the accounting officer to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report:</li> <li>○ The annual report (or any components thereof) of each municipality and each municipal entity in the province; and</li> <li>○ All oversight reports adopted on those annual reports. It is important to note that the oversight committee working with these reports should be chaired by the MPAC.</li> </ul>
<b>Departmental Moderation Committees</b>	<ul style="list-style-type: none"> <li>○ The responsibilities of the Municipal Moderation Committee include amongst others the following:</li> <li>○ Conduct moderation of annual staff performance results in order to ensure that the norms and standards for performance management and development systems are applied in a fair, realistic and consistent manner across the department;</li> <li>○ Assess and compare the performance and contribution of each staff member with his or her peers towards the achievement of departmental goals;</li> <li>○ Ensure fairness, consistency and objectivity with regard to dispersal of performance recognition and ratings achieved for a common understanding amongst supervisors of the performance standards required at each level of the performance rating scale;</li> <li>○ Determine the cost implications for recognition of performance of all staff members within the department;</li> <li>○ Recommend the moderated performance scores for all staff members to the municipal moderating committee for approval;</li> <li>○ Ensure that performance rewards are based on affordability;</li> <li>○ Consider the impact of the performance assessments on financial rewards and options for various forms of recognition;</li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>○ Recommend performance rewards as well as remedial actions for performance considered to be below effective performance; and</li> <li>○ Ensure that the integrity of the performance management and development system is protected.</li> </ul>
<p><b>Municipal Moderation Committee</b></p>	<p>The responsibilities of the Municipal Moderation Committee include amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Provide oversight over all staff performance management and development system to ensure the performance management process is valid, fair and objective</li> <li>○ Moderate the overall performance assessment score for staff determined after the departmental moderation process</li> <li>○ Ensure that the final individual performance ratings are fair across each grade and department or Head of Department</li> <li>○ Ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the staff members job description or Head of Department before any recognition of performance is considered</li> <li>○ Determine the percentages for the merit based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act;</li> <li>○ Recommend appropriate recognitions for different levels of performance;</li> <li>○ Recommend appropriate remedial actions for performance believed to be substandard;</li> <li>○ Advise the municipality on recognition of performance, including financial and non-financial rewards, where applicable;</li> <li>○ Identify potential challenges in the performance management system and recommend appropriate solutions to the Municipal Manager;</li> <li>○ Identify developmental needs for supervisors to improve the integrity of the performance management and development system; and</li> <li>○ Consider any other matter that may be considered relevant.</li> </ul>
<p><b>Community</b></p>	<p>The responsibilities of the Community include amongst others the following:</p> <ul style="list-style-type: none"> <li>○ Provides inputs during the analysis phase to the IDP in order to inform the priority targets</li> <li>○ Monitor the Top Layer SDBIP and performance during the year on a quarterly basis</li> <li>○ Review the Annual Report</li> <li>○ Keep Council accountable for performance on an annual basis</li> </ul>

**Table 7: Roles and Responsibilities**

## ABBREVIATIONS

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<b>AGSA</b>	Auditor-General of South Africa
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CCR</b>	Core Competency Requirements
<b>CFO</b>	Chief Financial Officer
<b>EE</b>	Employment Equity
<b>ED</b>	Executive Director
<b>HOD</b>	Head of Department
<b>HR</b>	Human Resources
<b>IA</b>	Internal Auditor
<b>IDP</b>	Integrated Development Plan
<b>JD</b>	Job Description
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>EC</b>	Executive Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Executive Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury
<b>NTFMPI</b>	National Treasury Framework for Managing Programme Performance Information
<b>OPEX</b>	Operating expenditure
<b>PDO</b>	Pre-determined Objectives
<b>PDP</b>	Personal Development Plan



<b>PMDS</b>	Performance Management System
<b>POE</b>	Portfolio of Evidence
<b>PT</b>	Provincial Treasury
<b>SALGA</b>	South African Local Government Organisation
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>Senior Manager</b>	Municipal Manager and Heads of Department
<b>SMT</b>	Strategic Management Team
<b>SOP</b>	Standard Operating Procedure
<b>TID</b>	Technical Indicator Description
<b>TL</b>	Top Layer

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