



AbaQulusi Local Municipality

Performance Management Policy Framework

2018/2019

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1. PART ONE: APPROACH TO PERFORMANCE MANAGEMENT

1.1 DEFINITIONS

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

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

Municipal Structures Act	Means the Local Government: Municipal Structures Act. 1998 (Act 117 of 1998).
Municipal Systems Act	Means the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000).
Objective	An objective is a projected goal that a person, system, or organisation plans or intends to achieve
Outcomes	Refer to the ultimate effects of government activities on society in the medium to long term. These are the results of specific outputs for strategic goals identified in the IDP.
Outcome indicator	Means an indicator that measures the quality and or impact of an output on achieving a particular objective.
Output indicator	Means an indicator that measures the results of activities, processes and strategies of a program of a Municipality.
Outputs	Goods and services produced by the Municipality which are identified by the Performance measures. Outputs may be defined as “what we produce or deliver”.
Performance Audit Committee	An independent committee appointed to assess the annual performance of the Municipality and report on the findings.
Performance Agreement	Means an agreement as contemplated in Section 57 of the Municipal Systems Act.
Performance Plan	Means a part of the performance agreement which details with the Measurable objectives (Outputs), Performance Measures (KPI’s), targets and activities that are aligned to the Scorecards.
Political office bearer	Means the Speaker, Executive Mayor, Mayor, Deputy Mayor or Member of the Executive Committee as referred to in the Municipal Structures Act.

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

1.2 INTRODUCTION

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

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

This documents sets out:

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

The organizational and individual performance management are linked. Once organizational objectives and targets have been set for the municipality, municipal departments and business units. In turn, the individuals, business units and departments, by achieving their objectives and targets, contribute towards the Municipality achieving the objectives of the IDP.

1.3 LEGISLATIVE MANDATES

1.3.1 The Constitution of the Republic of South Africa No. 108 of 1996

Chapter 10 Section 195(1) –Basic values and principles governing public administration.

- Good human resources management and career development Practices, to maximise human potential, must be cultivated
- Effective and efficient use of resources must be promoted and
- Public administration must be accountable

1.3.2 The White Paper on Local Government (1998)

The White Paper on Local Government (1998) suggests that local government should introduce the idea of *performance management systems*.

It states that a performance management system would provide early warnings where municipalities are experiencing difficulties, and enable other spheres of government to provide appropriate support before a crisis develops.

The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998).

1.3.3 Municipal Systems Act (Act No 32 of 2000)

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

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

- Annual reporting on performance.

Chapter 7 of the Municipal Systems Act deals with local public administration and human resources. In particular, section 57 of this Chapter requires that the Municipal Manager and those officials reporting directly to the Municipal Manager (i.e Section 56 employees) sign annual performance agreements. An individual performance plan must be attached to the performance agreement and it must include a set of performance measures that will enable actual performance of individuals to be assessed against planned performance.

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

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

- The nature of the PMS;
- The adoption of the PMS;
- The setting of key performance indicators;
- The general key performance indicators published by the Minister, which reflect the object of developmental local government;
- The review of key performance indicators;
- Setting of performance targets;
- Monitoring, measurement and review of performance; ² internal auditing of performance measurements; and ² Community participation.

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

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

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

1.3.5 Local Government: Municipal Performance Management Regulations, 2006

The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 56 staff will be uniformly directed, monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur. The regulations will be discussed in greater detail in a later section of this framework document.

1.4 DEFINITION AND OBJECTIVES OF PERFORMANCE MANAGEMENT (PMS)

1.4.1 DEFINITION OF PMS

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

1.4.2 OBJECTIVE OF PERFORMANCE MANAGEMENT

The objectives of performance management are, inter alia to:

1.4.2.1 Facilitate increased accountability

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

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

1.4.2.2 Facilitate learning and improvement

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

1.4.2.3 Provide early warning signals

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

1.4.2.4 Facilitate decision making

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

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

1.5 PRINCIPLES OF PERFORMANCE MANAGEMENT

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

1.5.1 Simplicity

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

1.5.2 Politically driven

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

1.5.3 Incremental implementation

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

1.5.4 Transparency and accountability

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

1.5.4 Integration

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

1.5.5 Objectivity

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

2. PART TWO: ORGANISATIONAL PERFORMANCE MANAGEMENT

2.1 INTRODUCTION

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

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

2.2 PLANNING

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

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

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

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

2.3 IMPLEMENTATION

The actual implementation and operation of the PMS occurs simultaneously with the implementation of the IDP. The implementation of the IDP over a single financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP), scorecards, performance contracts of the Municipal Manager and other S56 Managers. The Service Delivery Budget Implementation Plan (SDBIP) is the implementation tool used to align the budget to the IDP. The focus of the SDBIP is both financial and non-financial measurable performance objectives in the form of service delivery targets and other performance indicators.

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

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

2.4 MEASUREMENT

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

2.5 MONITORING

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

The monitoring framework must:

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

2.6 REVIEW

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

2.7 PERFORMANCE AUDITING

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

2.7.1 INTERNAL AUDITING

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

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

2.7.2 EXTERNAL AUDITING

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

2.7.3 PERFORMANCE AUDIT COMMITTEE

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

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

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

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

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

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

- Investigate any matters it deems necessary for the performance of its duties and the exercise of its powers.

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

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

3. PART THREE: INDIVIDUAL PERFORMANCE MANGEMENT

3.1 INTRODUCTION

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

3.2 SECTION 54A AND 56 EMPLOYEES

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

3.2.2 In terms of Section 57 of the Municipal Systems Act these employees are required to sign a performance agreement within a reasonable time after assuming duty and then within one month after commencement of the new financial year.

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

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

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

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

3.3 PERFORMANCE REVIEWS

3.3.1 The performance of the employee in relation to his or her performance agreement must be reviewed quarterly, with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory.

3.3.2 The employer must keep a record of the mid-year review and annual assessment meetings.

3.3.3 Performance feedback must be based on the employer's assessment of the employee's performance.

3.3.4 The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.

3.3.5 The employer may amend the provisions of the performance plan whenever the performance management system is adopted, implemented and/or amended as the case may be on agreement between both parties.

3.4 MANAGEMENT OF EVALUATION OUTCOMES

3.4.1 Evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

3.4.2 A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that:-

- a score of 130% to 149% is awarded a performance bonus ranging from 5 % to 9%;and
- a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

3.4.3 In the case of unacceptable performance, the employer shall:-

- provide systematic remedial or developmental support to assist the employee to improve his or her performance; and
- after appropriate performance counselling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the employer may consider steps to terminate the contract of employment of the employee on grounds of unfitness or incapacity to carry out his or her duties.

4. PART FOUR: PERFORMANCE MANAGEMENT STANDARD OPERATING PROCEDURES

4.1 INTRODUCTION

By definition, Standard Operating Procedures (SOP's) within the context of Performance Information and Portfolio of Evidence, is a written description of steps for all significant activities relating to the practice of Management of Information. SOP's should accurately reflect good information management practices, be sufficiently practical and be usable in the municipal environment. Good management practices relate to general aspects of performance management functions including data collection, compilation, analysis, storage, data processing, record storage, handling of urgent data requests/needs, management of the devices, tools, appliances used to manage data.

4.2 BENEFITS OF STANDARD OPERATING PROCEDURES

There are several benefits in having generic SOP's; these include among others the following:

- Harmonisation of performance management reporting procedures to ensure effective and efficient coordination in the development of Portfolio Of Evidence (POE's);
- Validity and credibility of reported actual on reporting templates is enhanced by signing off by the respective incumbent preparing the reported information, including the Manager (head of section) and the Director (head of department);
- Ensures better alignment between reported actual and source document (POE);
- Improve attainment of organisational targets;
- Improve outcomes of audit processes as a standardized POE will be implemented for all user departments;
- Improve better alignment with legislation governing organisational performance, i.e. MFMA, MSA and Performance management regulations, and;
- Effective accountability will be displayed during performance assessments as incumbents and supervisors will both be reliant on the POE during their respective performance assessments.

4.3 DOCUMENTING A PERFORMANCE MANAGEMENT SYSTEM IN ABAQULUSI MUNICIPALITY

Process	Activity	Responsibility	Time-frame
1. Compilation	All Departments are to complete their quarterly reports in terms of the SDBIP in a standard prescribed format.	Directors and Managers	Within 5 days after the quarter has ended
2. Collection	Portfolio of Evidence is to be collected in support of all reported Targets that have being Achieved/Met	Managers	Within 10 days after the quarter has ended

3. Verification	Directors are to validate, verify and sign of Confirmation Certificate to ascertain all reported information prior to submission	Directors	Within 15 days after the quarter has ended
4. Submission	Departments are to submit departmental quarterly reports together with their POEs to Performance Management Unit.	Directors	Within 15 days after the quarter has ended
5. Consolidation	PMS Unit to consolidate all departments quarterly reports and prepare the Municipal Qualitative and Quantitative Performance Management Quarterly Report and submit to Internal Audit	PMS Manager	Within 20 days after the quarter has ended
6. Auditing Process	Internal Audit to audit all quarterly Reports together with POE	Internal Audit Manager	Within 40 days after the quarter has ended
7. Feed-back	Internal Audit Report on Performance of Information submitted to Municipal Manager and All Departments	Internal Audit Manager	Within 50 days after the quarter has ended
8. Implementation of Corrective Measures	Municipal Manager to monitor the implementation of the Corrective Measures as identified in the Internal Audit Report	Municipal Manager	Within 90 days after the quarter has ended

5. PART FIVE: PERFORMANCE MANAGEMENT CYCLE

5.1 ANNUAL PERFORMANCE MANAGEMENT CYCLE

STEP	ACTIVITY	TARGET DATE / FREQUENCY	APPLICABLE SECTION
1	Municipality prepares and adopt the IDP, Organisational Scorecard and Budget to be implemented during the following financial, and adopted by Council in May / June respectively.	May / June	Section 34 of the MSA MFMA 16(2), 17 & 87(3)
	Municipality prepares and adopt the Service Delivery and Budget Implementation within 28 days after the adoption of the budget, for implementation during the following financial year, which serves to monitor the implementation of the IDP and Budget.	June	MFMA 69(3)(a) MFMA 53(1)(c)(ii)
	The municipality prepares and submit the draft and final annual performance agreements for the next financial year to the Mayor, informed by the Service Delivery and Budget Implementation Plan for the Municipal Manager and Managers reporting directly to the Municipal Manager, to	July	MFMA 69(3)(b) MFMA 53(3)(b)

	monitor and review departmental and organisational performance.		
2	<p>Senior Technicians from technical services department conducts weekly / monthly site inspections (i.e. quality and verify the scope of work done) over and above the consultants appointed by the municipality that are full time on site to check the quality, scope of work and progress to date in relation to the targets of the Service Delivery and Budget Implementation.</p> <p>Heads of Departments and Middle Managers manage and monitor the implementation of the programmes and projects as per the Service Delivery and Budget Implementation Plan targets.</p>	<p>Weekly / Monthly</p> <p>Monthly / Quarterly</p>	<p>Regulations Guidelines MFMA Circular Guidelines</p>
3	<p>Consultants together with the Technicians compile independently monthly / quarterly reports and be submitted to the Executive Manager Technical Services. The Executive Manager Technical Services scrutinize and verify the reports, and also check alignment with the targets as per the Service Delivery and Budget Implementation of Technical Services department. Once satisfied that the reports are accurate, the reports of Consultants and Technicians are reconciled.</p> <p>In case the Executive Manager: Technical Services is not satisfied that the reports submitted by the Consultants and Technicians are not accurate, the reports are deferred back to the compilers in order to be re-checked and re-compiled.</p> <p>The other Heads of Departments compile monthly / quarterly reports emanating from the sections of each department, they also scrutinize and verify the reports received from the sections, and also check alignment with the targets as per SDBIP. Once satisfied that the reports are accurate, the reports of the sections are reconciled and</p>	<p>Monthly / Quarterly</p> <p>Monthly</p> <p>Monthly / Quarterly</p>	<p>Regulations Guidelines MFMA Circular Guidelines System of Delegations Guidelines</p>

	culminate into a departmental quarterly performance report.		
4	The Executive Manager: Technical Services convenes monthly / quarterly staff meetings between the Technicians and Consultants whereby discrepancies identified by Executive Technical Services and corrective measures taken. Same applies with the other heads of departments where they would convene monthly meetings to discuss and verify the monthly and quarterly performance reports prior to submission to the Municipal Manager.	Monthly / Quarterly	Regulations Guidelines MFMA Circular Guidelines System of Delegations Guidelines
5	The Executive Managers prepares monthly / quarterly performance reports containing the projections and actuals in terms of expenditure and performance, and reports are submitted to the Municipal Manager for his consideration. The Municipal Manager submits the quarterly performance reports received from the departments to the IDP/PMS Unit for verification purposes, prior to being submitted to the Internal Audit unit for auditing purposes, and then subsequently conducts the quarterly performance assessments with the IDP/PMS Unit to determine whether the targets for the quarter under review have been achieved or not, in cases where they have not been achieved, corrective measures are being taken.	Monthly / Quarterly Quarterly	2006 Performance Regulations S 49 of the MSA
6	The IDP/PMS Unit prepares the quarterly and mid – year performance reports in terms of the Organisational Scored and Service Delivery and Budget Implementation Plan emanating from the reports of all the departments, which provides progress to date in terms of implementation of various programmes and projects, and corrective measures thereof relating to underperformance, and be tabled to	Quarterly / Mid - Year	Section 72 of the MFMA 2006 Performance Regulations S 49 of the MSA

	Performance Audit Committee, MPAC, ExCo and Council for consideration.		
7	<p>On annual basis, the Heads of Departments prepare and submit annual departmental performance reports for the year under review to Municipal Manager for assessment, verification and consideration with portfolio of evidence.</p> <p>The annual departmental performance reports indicate progress made in terms of implementation of various programmes and projects, and also provide highlights of significant achievements, challenges thereof and corrective measures to be implemented during the next financial year. These reports also serve as a base for developing the targets to be achieved during the following financial year.</p> <p>The Municipal Manager submit these reports to the Internal Audit Unit for auditing purposes, prior to convening a meeting of the assessment committee to assess the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager.</p> <p>The IDP/PMS Unit utilises the departmental annual performance report to prepare a consolidated annual performance report which is being prepared as required in terms of 46 of the MSA, which also form part of the Annual Report, for submission to the Audit Committee and Auditor General for auditing purposes.</p>	<p>Annually – July</p> <p>July</p> <p>August</p>	<p>S 28 of the 2006 Performance Regulations</p> <p>System of Delegations Guidelines</p> <p>Section 46 of the MSA</p>
8	A consolidated annual performance report which serves as a Section 46 annual performance report as required in terms of the MSA, which also forms part of the Annual Report and is submitted to the Audit Committee for consideration with the financial statements.	<p>August</p> <p>August</p>	<p>Section 46 of the MSA MFMA 126(1)(a)</p> <p>MFMA 126(1)(a)</p>

	The Annual Performance Report with the financial statements subsequently submitted to the Auditor General for auditing purposes with the portfolio of evidence to serve as proof of meetings the targets.		
9	<p>Subsequent to the auditing process, the annual performance report which forms part of the annual report and the mid - year performance report are submitted to Council in January of each year for approval.</p> <p>After approval by Council in January, Council gives authority for the Annual Report to be forwarded to the Auditor-General, Provincial Treasury, National Treasury and the Department of Co-operative Government and Traditional Affairs for comments an inputs, and also be advertised for public comments and inputs as required in terms of the provisions of Municipal Finance Management Act, 56 of 2003; and also be made in public for comments and inputs.</p>	<p>January</p> <p>January</p>	<p>Section 72 of the MFMA S 127 of the MFMA MFMA 127(5)</p>
10	The Annual Report which has the annual performance report is submitted to the Municipal Public Accounts Committee to assess the Annual Report and then prepare an Oversight report during February / March, for submission to Council during March for adoption	February / March	S 129 of the MFMA MFMA 129(1)
11	Comments received from the Auditor-General, Provincial and National Treasury and the Department of Co-operative Government and Traditional Affairs and the community are then considered.	March	MFMA 127(5)
12	The Annual Report with the Oversight Report from the Municipal Public Accounts Committee is then submitted to Council during March for adoption, and subsequently submitted to the Provincial Legislature, COGTA, NT and PT for consideration.	March	MFMA 129(1) MFMA 129(2)(b)
13	Submit minutes of meetings where annual report is discussed to the Provincial Treasury and Department of C-operative Governance and Traditional Affairs.	March	MFMA 129(2)(b)

6. PART SIX: ROLES AND RESPONSIBILITIES

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

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

Role Player	Planning	Implementation	Review	Reporting	Performance Audit
Municipal Manager	<ul style="list-style-type: none"> ▪ Coordinate the process of needs identification and prioritisation among all stakeholders, including the community; ▪ Coordinate the formulation and revision of the PMS framework; ▪ Coordinate the formulation and revision of the municipal strategic scorecard that includes KPIs and performance targets; ▪ Leads the process of the formulation and revision of departmental scorecards and departments annual programmes ▪ Enters into performance agreement with section 56 managers on behalf of Council. 	<ul style="list-style-type: none"> ▪ Manage the overall implementation of the IDP; ▪ Ensure that all role players implement the provisions of the PMS framework; ▪ Ensure that the departmental scorecards and departmental annual programmes serve the strategic scorecard of the municipality; ▪ Ensure that annual programmes are implemented according to the targets and timeframes agreed to. ▪ Implement performance improvement measures approved by Council ▪ Ensure that performance objectives in the section 56 managers performance agreements are achieved. 	<ul style="list-style-type: none"> ▪ Formulate the annual review programme of the IDP, including the review of KPIs and performance targets for consideration by Council; ▪ Formulate the annual performance improvement measures of the municipality as part of the new municipal strategic scorecard; ▪ Quarterly review the performance of departments to improve the economy, efficiency and effectiveness of the municipality; ▪ Quarterly and annually evaluate the performance of section 56 managers. 	<ul style="list-style-type: none"> ▪ Receive quarterly performance reports from the Internal Audit Activity; ▪ Receive performance reports twice a year from the Performance Audit Committee; ▪ Receive monthly departmental performance reports; ▪ Report quarterly to Council on the performance of departments; ▪ Report on the implementation of improvement measures adopted by Council; ▪ Annually report on the performance of section 56 managers; ▪ Submit the municipal annual report to the Mayor. 	<ul style="list-style-type: none"> ▪ Formulate responses to the recommendation of the Internal Audit Activity and Performance Audit Committee; ▪ Formulate responses to the performance audit report of the Auditor General and recommend to Council.

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

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

7. PART SEVEN: CONCLUSION

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