

FETAKGOMO LOCAL MUNICIPALITY

Performance Management Framework

C86/13 dated 27 March 2013

SECTION ONE : BACKGROUND OVERVIEW

1.1. Introduction

A Performance Management System (PMS) is a process through which an organisation continuously monitors its performance in order to ensure that progress against set corporate strategies and objectives are achieved and the resources allocated are utilised optimally to yield the expected deliverables.

Performance management is the setting and measurement of desired outcomes and activities of an organisation, the organisation's individual components, and the staff who contribute to the achievement of its strategic vision. It is a multilevel process that starts with an overall strategy and cascades into individual performance management and appraisal.

This is a generally acceptable definition which advocates for the measurement of performance at various levels and in a comprehensive manner. Performance management encompasses the monitoring, measurement and reporting of performance at a corporate level, departmental level, and as well as individual performance level.

1.2 Definition of Terms

- "Output" is the effect resulting from the implementation of the project, the actual goods or services rendered during service delivery of the project
- "Outcome" is the overall impact or changes which service delivery has on the community in the area
- "Baseline" is the current level of performance of the programme.
- "Priority Area" is project needs that is addressed
- "Performance Target" is the objective that project needs to be achieved.

1.3 Rationale

Performance management as an integral part of integrated development planning is key to assisting us in achieving local government's constitutional mandate:-

- enable more effective local governance and deepen democracy on local level.
- strengthen accountability to achieving the constitutional mandate.
- ensure co-ordinated strategy, action and information between spheres of government more effectively.
- facilitate continuation of improvement.
- facilitate the most effective contribution possible to improving the lives of the communities we serve in ensuring the above, the PMS should enable the local municipalities to :-
- develop a vision of the way we would like to see our communities develop and plan to achieve this more effectively.
- ensure that resources are mobilised and used strategically and for the best results.
- monitor, evaluate and report on what it is achieving.

1.4 Scope of Application

The Performance Management Framework applies to all directorates or organisational components of the municipality as structured in the approved municipal organogram. It reflects corporate monitoring and evaluation as well as individual performance management. Whilst the Municipal Manager together with the Section 57 Managers has the executive authority for the implementation of the framework, the political leadership, in the form of the members of the Mayoral Committee and the Audit Committee have oversight on the implementation of the PMS.

1.5 PMS Objectives

A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and process of performance planning, monitoring, measurement, review, reporting and improvement will be conducted. In developing a performance management system a municipality must ensure that the system meets the requirements as set out in Government Gazette no 2265.

The performance management system should:-

- comply with all the requirements set out in the Local Government; Municipal Systems Act
- demonstrate how it is to be operated and be managed from the planning stage up to the stages of performance review and reporting
- clarify the roles and responsibilities of each role player, including the local community, in the functioning of the system
- clarify the processes of implementing the system within the framework of the Integrated Development Planning (IDP) process
- determine the frequency of reporting and the lines of accountability for performance
- provide for the procedures by which the system is linked to the municipality's IDP process
- provide a clear outline of the corporate performance management system as well as the individual performance management system

In essence it about measuring performance over-time in order to ensure council's mandate is translated into implementable deliverables. The facilitation of transformation and improved service delivery, culminating in responsive, accountable and developmental local government is a major challenge confronting government. In response to this daunting challenge, the government has introduced Performance Management by means of a legal framework.

SECTION TWO : LEGISLATIVE MANDATES

2. LEGISLATIVE FRAMEWORK

2.1 Constitutional mandate (1996)

The Constitution of the Republic of South Africa:

- Provides for a democratic and accountable government for local communities
- Ensures the provision of services to communities in a sustainable manner
- Promotes a safe and healthy environment.
- Encourages the involvement of communities and community organisations in the matters of local government.

2.2. White Paper on Local Government (1997)

The White Paper on Local Government introduced Performance Management System as one of the critical tools that need to be utilised by municipalities in the process of building developmental local government. Hence the White Paper calls for the involvement of communities in the development and implementation of the Performance Management System.

2.3 Local Government; Municipal Structures Act (1998)

The Municipal Structures Act sets out the powers and functions of District Municipalities against those of the Local Municipalities in Section 84. The PMS is thus based on how these powers and functions have been allocated.

2.4 Local Government; Municipal Systems Act. (2000)

Chapter 6 of the Municipal Systems Act states that a municipality must establish a PMS that is:

- commensurate with its resources best suited to its circumstances in line with priorities, objectives, indicators and targets contained in its Integrated Development Plan.

2.5 Local Government; Municipal Financial Management Act (2003)

The MFMA provides further obligations on the implementation of the performance management system by municipality, through stipulating the following requirements:

- the establishment of an internal audit function. internal auditing must include assessment of the following
- The functionality of the municipality's performance management system.
- Whether the performance management system complies with the relevant provisions of the Local Government: 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 Audit Committee.

SECTION THREE : KEY STAKEHOLDERS AND THEIR ROLE CLARIFICATION

3.1 Major Stakeholders

Major Stakeholders in the IDP/PMS review, both in the municipality and outside are important in phasing the PMS framework, in particular the input, output and targets for the year of review.

The following stakeholders should be taken into consideration in the development and implementation of the PMS framework:

- the Municipal Council
- members of the
- the Mayor
- the Municipal Manager
- the Section 57 Managers who provides strategic executives management .
- internal Audit
- audit Committee
- auditor General
- members of the community
- Staff members

Following below is a detailed description of the major stakeholders is outlined below in terms of the planning, and monitoring such as review, reporting and performance assessment.

3.2 Roles and responsibilities of stakeholders in the operation and management of the PMS

3.2.1 Municipal Council

Planning	Monitoring		
	Review	Reporting	Performance assessment
<ul style="list-style-type: none"> Adopts priorities and objectives of the Integrated Development Plan. Adopts the PMS framework. Adopts the municipal measurable objectives that is priorities and objectives of the IDP. Establish an over-sight committee for the purpose of the annual report. 	<ul style="list-style-type: none"> Approves the annual review programme of the IDP. Approves changes to the SDBIP and adjustment Budget Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality. Consider the oversight report from the oversight committee. 	<ul style="list-style-type: none"> Receives externally audited performance reports from the Mayor twice a year. Reports the municipality performance to the community at least twice a year. Approves recommendations for the improvement of the performance management system. Annually receives the appraisal of the Municipal Manager and Strategic Managers' performance. Submits the municipal annual report to the Auditor General and the MEC 	<ul style="list-style-type: none"> Approves the municipal annual audit plan and any substantial changes to it. Approves the implementation of the recommendations of the Performance Audit Committee with regard to both improvement in the performance of the municipality or improvement of the performance management system itself. Receives performance audit report from the Auditor General and approves implementation of its recommendations.

3.2.2 Mayor

Planning	Monitoring		
	Review	Reporting	Performance assessment
<ul style="list-style-type: none"> • Submits priorities and objectives of the Integrated Development Plan to Council for approval. • Submits the PMS framework for approval. • Approves the Service Delivery and Budget Implementation Plans. • Enters into a performance agreement with the Municipal manager on behalf of Council. • Assigns the responsibility for the management of the PMS to the Municipal Manager. • Tables the budget and SDBIP to Council for approval. 	<ul style="list-style-type: none"> • Proposes to Council, the annual review programme of the IDP, including the review of key performance indicators and performance targets. • Proposes changes to the priorities, objectives, key performance indicators and performance targets of the municipality. • Quarterly evaluates the performance of the municipality against adopted KPIs and targets. • Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality. • Quarterly and annually evaluates the performance of the Municipal Manager. 	<ul style="list-style-type: none"> • Receives monthly budget statement. • Receives performance reports quarterly from the internal auditor. • Receives performance reports twice a year from the Audit Committee. • Receives monthly and quarterly reports from the Municipal Manager on the performance of Strategic Managers and the rest of the staff. • Report to council on the mid-term review and the annual report on the performance of the municipality. • Reports to Council on the recommendations for the improvement of the performance management system. 	<ul style="list-style-type: none"> • Submits the municipal annual audit plan and any substantial changes to council for approval. • Approves the implementation of the recommendations of the internal auditor with regard to both improvement in the performance of the municipality or improvement of the performance management system itself. • Receives performance audit report(s) from the Auditor General and makes recommendations to Council.

3.2.3 The Municipal Manager

Planning	Implementation	Monitoring	Reporting	Performance assessment
		Review		
<ul style="list-style-type: none"> • Coordinates the process of needs identification and prioritization among all stakeholders, including community structures. • Coordinates the formulation and revision of the PMS framework. • Leads the process of the formulation and revision of the Service Delivery and Budget Implementation Plans. • Enters into a performance agreement with Strategic Managers on behalf of Council. 	<ul style="list-style-type: none"> • Manages the overall implementation of the IDP. • Ensures that all role players implement the provisions of the PMS framework. • Ensures that the Departmental scorecards and departmental annual programmes serve the strategic scorecard of the municipality. • Ensures that annual programmes are implemented according to the targets and timeframes agreed to. • Implements performance improvement measures approved by the Mayor and the Council. • Ensures that performance objectives in the Strategic Managers' performance agreements are achieved. 	<ul style="list-style-type: none"> • Formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets for the consideration of Council Committees and the Mayor. • Formulation of the annual performance improvement measures of the municipality as part of the new municipal strategic scorecard. • Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality. • Quarterly and annually evaluates the performance of Strategic Managers. 	<ul style="list-style-type: none"> • Receives performance reports quarterly from the internal auditor. • Receives performance reports twice a year from the Performance Audit Committee. • Receives monthly departmental performance reports. • Reports once in two months to council committees and the Mayor on the performance of Departments. • Annually reports on the performance of Strategic Managers. • Submit the municipal annual report to the Mayor. 	<ul style="list-style-type: none"> • Formulates the municipal annual audit plan. • Formulates a response to the recommendations of the internal auditor and the Audit Committee. • Formulates a response to performance audit report of the Auditor General and makes recommendations to the Mayor.

3.2.4 Council Committees

Planning	Monitoring		
	Review	Reporting	Performance assessment
<ul style="list-style-type: none"> Advise the Mayor on priorities and objectives of the Integrated Development Plan. 	<ul style="list-style-type: none"> Participate in the formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets. 	<ul style="list-style-type: none"> Reports to the Mayor on the recommendations for the improvement of the performance management system. Council adopts the over-sight report. 	<ul style="list-style-type: none"> Advices the Mayor on the implementation of the recommendations of the internal auditor.

3.2.5 Section 57 Managers and Sub-component Managers and Line Function Supervisors

Planning	Monitoring			
	Review	Reporting	Performance audit	Performance assessment
<ul style="list-style-type: none"> Participates in the formulation of the Top level SDBIP. Manages subordinates' performance measurement system. Enters into a performance agreement with the Municipal Manager. 	<ul style="list-style-type: none"> Manages the implementation of the Departmental SDBIP. Ensures that performance objectives in the performance agreements are achieved. 	<ul style="list-style-type: none"> Quarterly and annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. 	<ul style="list-style-type: none"> Reports on the implementation of improvement measures adopted by the Mayor and Council. Annually reports on the performance of the department. 	<ul style="list-style-type: none"> Participates in the formulation of the response to the recommendations of the internal auditor, Audit Committee and the Auditor General.

3.2.6 General Municipal Staff

Planning	Monitoring		
	Review	Reporting	Performance assessment
<ul style="list-style-type: none"> Participates in the development of the Technical SDBIP. Participates in the development of their own performance measurement. 	<ul style="list-style-type: none"> Executes individual work plans. 	<ul style="list-style-type: none"> Participates in the review of departmental plans. Participates in the review of own performance. 	<ul style="list-style-type: none"> Reports to line manager.

3.2.7 Internal Audit

Planning	Monitoring	
	Review	Reporting assessment
<ul style="list-style-type: none"> Develop a risk and compliance based audit plan. 	<ul style="list-style-type: none"> Measures the performance of departments according to KPIs and performance targets set. Ensures that the system complies with the Act. Audit the performance measures in the municipal scorecard and departmental scorecards. Conduct compliance based audit. 	<ul style="list-style-type: none"> Submit quarterly reports to the Municipal Manager. Submit quarterly reports to the Performance Audit Committee.

3.2.8 The Audit Committee

Planning	Monitoring	
	Review	Reporting assessment
<ul style="list-style-type: none"> Receives and approves the annual audit plan. 	<ul style="list-style-type: none"> Review quarterly reports from the internal audit committee on quarterly bases 	<ul style="list-style-type: none"> Reports quarterly to the municipal Council.

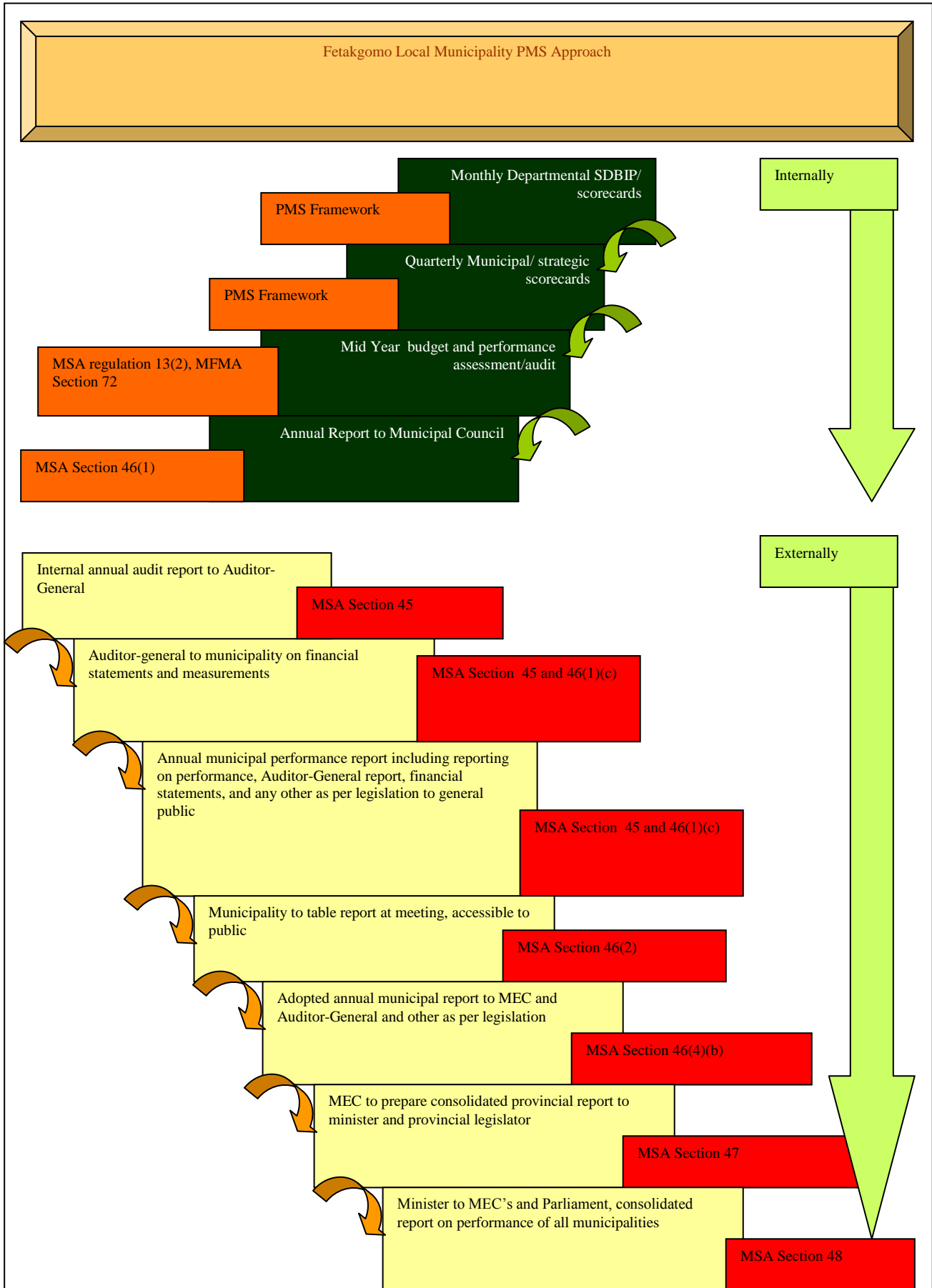
3.2.9 Auditor General

Planning	Monitoring	
	Review	Reporting assessment
<ul style="list-style-type: none"> Receives and approves the annual audit plan. 	<ul style="list-style-type: none"> Review annual reports from the internal audit committee on quarterly bases 	<ul style="list-style-type: none"> Reports quarterly to the municipal Council.

3.2.10. The Community

Planning	Monitoring	
	Review	Reporting assessment
<ul style="list-style-type: none"> Participate in the drafting and implementation of the municipality's IDP through established forums Participates in the setting of KPIs and targets for the municipality every year Make representations on the draft annual budget 	<ul style="list-style-type: none"> Participate in the annual review of performance through their involvement in the development of the Oversight Report. 	<ul style="list-style-type: none"> Receive annual performance and budget reports from council Participate in the development of the oversight report

SECTION FOUR : APPROACH TO BE FOLLOWED



4.1 Alignment of the PMS to the IDP and Budget

In terms of Section 42 of the MSA, regulation 49(1) (e) the setting of a framework for performance targets by municipalities should be consistent with their development priorities, objectives and strategies set out in their Integrated Development Plans. It must be emphasised that the IDP priorities are informed by the National and Provincial priorities as outlined in the Five Year Local Government Strategic Agenda.

4.2 Five Year Local Government Strategic Agenda

The Five Year Local Government Strategic Agenda was approved by the Cabinet Lekgotla in January 2006 following a submission of a comprehensive review of the first term of local government by the Department of Provincial and Local Government;

The review assessed lessons learned in local government transformation in general and in particular through the implementation of the Project Consolidate and proposed a program that will ensure sustainable local government at the end of the second term of local government;

The 2007/08 financial year constitutes the second year of the LG Strategic Agenda through which the national and provincial government approved implementation plans that will provides targets to be achieved during the second year. Similarly district as well as local municipalities approved implementation plans for the second year of the Local Government Strategic Agenda;

There are three strategic priorities identified by the Cabinet Lekgotla when approving the Five Year Local Government Strategic Agenda, namely:

- Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability;
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
- Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures.

WHAT DO THE THREE STRATEGIC PRIORITIES ENTAIL?

First priority: Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability;

The focus of this priority is to institutionalise the hands on support approach municipalities which entails that:

- Municipalities have sufficient resources to recruit and retain skills and expertise required to fast track service delivery;
- Filling of critical managerial and technical posts
- Signing of appropriate performance contracts and performance agreements

Second Priority: Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and

The focus of this priority is to address the structure and organization of the state to ensure that the national government and provinces are properly position to support local service delivery. This entails:

- All departments must complete their Plans to support local government over the five years
- Sector master plans be developed
- Operational budgets to support and monitor the municipalities;

Third priority: Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures

The focus is to assess local government policy framework in order to:

- Ensure that local government policy are put into practice
- Monitor local government compliance with legislative obligations
- Ensure greater stability and certainty into the local government system

FIVE KEY PERFORMANCE AREAS

The Local Government Strategic Agenda is based on a Program of Action which is structured into Five Key Performance Areas with specific targets, namely

- KPA 1: Municipal Transformation and Organisational Development
- KPA 2: Basic Service Delivery and Infrastructure Development
- KPA 3: Local Economic Development
- KPA 4: Financial Viability and Management
- KPA 5: Good Governance and Public Participation

KPA 1: Municipal Transformation and Organisational Development

Focus will be on:

The institutional transformation, amalgamation and proper establishment of Municipalities within the first financial year of the new councils' existence are critical objectives.

Pay particular attention to the following

- Filling of critical section 57 management position
- Employment Equity
- Leadership development and skills development In general
- IDP planning
- PMS implementation

KPA 2: Basic Service Delivery and Infrastructure Development

Focus will be on:

- Provision of Basic Service delivery
- Free Basic services
- Meeting the Millennium Development Targets
- Infrastructure Development
- capital project implementation and developing of service level standards

KPA 3: Local Economic Development

Focus will be on:

- monitoring the development and implementation of the Local Economic Development (LED) strategy and programmes.

KPA 4: Financial Viability

Focus will be on:

- monitoring financial performance management
- improving financial controls and systems
- managing expenditure in accordance with pre determined baseline standards
- improving revenue collection & improving cash flow management

KPA 5: Good Governance and Public Participation

Municipalities are obliged to ensure the establishment and implementation of proper governance structures as well as ensuring participation of the communities.

- The establishment of all committees provided for in the legislative framework (Tender Committee, Audit Committee etc)
- The effective functioning of these committees and a clear indication as to how they contribute towards accountability and deepening of democracy.
- Function of the ward committees
- Monitoring the implementation of the Izimbizos program

4.5 Reporting

The municipal organisational components or directorates are expected to submit quarterly and annual performance reports. The report should be in relationship to the expected performance per quarter and per year. The report should provide;

- Quarterly results cumulatively from the first to the last quarter.
- Executive Managers are responsible for the collation and submission of the directorate reports.
- Internal audit with comprehensive supporting documents to audit the reliability of the report.
- implementation reports of the PMS which must be submitted to council at least twice a year
- the PIMS unit would provide each directorate with a template of the quarterly and annual reports at least a month before each of each quarter and year-end respectively.

Each directorate shall complete the report and hand over to PIMS unit for compilation. Timely submission of the quarterly and annual reports to the PMS unit is crucial. It is expected that a directorate would submit the quarterly reports at least 10 working days after a quarter has lapsed. The PMS report shall be forwarded to Internal Audit unit.

4.6 Adoption and Review by Municipal Council

The PMS Framework shall be adopted by council and reviewed as and when necessary.

4.7 Monitoring and Measurement

Roles of different role players must be identified and the municipality have to assign the monitoring and measuring to various bodies. Specified tasks regarding gathering of data and submission of reports must be outlined,

- progress on each priority area is to be noted
- progress should be reflected in a PMS reporting format, where it request directorates to report on planned and actual performance.
- the PMS format should be submitted to the PIMS office for compilation of a PMS report.

4.8 Performance Assessment

4.8.1 Performance Committee

The Performance of the Directorates of the Municipality is assessed by the Performance committee. The committee should be consist of the Municipal Manager as chairperson, all Strategic Managers and Level 1 Managers and other staff members performing support services

The Performance Committee would assist in assessing the performance of the directorates in terms of the scores and achievement of the objectives and KPIs set by the municipality.

The directorates are required to submit supporting documents as evidence that performance could be verified. The audit unit is required to submit audited performance reports to the Audit Committee at least twice a year.

4.8.2 Internal Audit Unit and the Audit Committee

The Audit Committee together with the internal audit unit would review the municipal performance against the set objectives. The internal audit would assist in determining the extent to which the performance measurement is reliable in measuring performance of the municipality according to its indicators. The internal audit unit should provide audited reports to the audit committee. The audit committee should have at least one member with experienced in performance management. The committee should provide reports to council with recommendations to improve on poor performance.

4.9 Managing Poor Performance

4.9.1 Early Warning Mechanisms

Mid-year performance reports are used as early warning mechanisms to assess performance of a directorate. In case that second quarterly report does not meet the mid-year targets, it should be considered as an early warning that the annual performance targets are not likely to be achieved. The directorate should review mechanisms to improve its performance and indicate to the internal audit and audit committee how they intend to achieve better.

4.9.2 Review

The municipality should at least organise a senior management review of the performance plan. The review should be during mid term and end of the financial year. The review could assist in identifying issues of poor performance.

4.9.3 Addressing Poor Performance

The management of poor performance should be seen as a corrective process, focusing on addressing issues that lead to performance related problems. The corrective manner should take the form counselling in case of poor performance. The counselling should include the following:

- identify and agree on the problem.
- describe the impact of the poor performance.
- establish reasons for performance
- decide and agree on what actions are required , and set the necessary timeframes
- resource the agreed actions

5. STRUCTURED SET OF PERFORMANCE INDICATORS

1. KEY PERFORMANCE AREA : MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DESIGN

Key Focus Area	Objectives	Performance Measures
Organisational Design and Human Resource capacity	To ensure that the municipality has sufficient managerial capacity	Number vacant section 57 managers posts filled within 3 months
		Signing of employment contracts by all Section 57 managers for the 2007/08 fy
		Completion of the placement of staff in terms of Section 78 of the Municipal Systems Act (2000)
		Number of posts in the approved organogram
		Number of currently filled posts of the total number of posts in the approved organogram
Employment Equity	Ensure compliance with the Employment Equity Act	Women representation in Section 57 Managers
		Total number of woman employed by the municipality against total staff
		Total number of disable staff in management level
Skills Development	Ensure compliance with the	Work Place Skills Development Plan submitted to LGSETA

Key Focus Area	Objectives	Performance Measures
	National skills development strategy	
		Section 57 Managers leaders development program
		Skill Levy Rebate
Integrated Development Planning	To promote and enhance municipal integrated development planning	Appointment of IDP officers
		2007/08- 2012/13 Approved IDP
		Approved Spatial Development Framework?
		Approved Disaster Management Plan
		Approved Environmental Management Plan?
		Approved Medium Term Income and Expenditure Framework?
		Approved land use planning management plan in place?
		2008/09 IDP/Budget Review schedule approved by the council?

Key Focus Area	Objectives	Performance Measures
Functionality of the Performance Management System	Implementation of the PMS in compliance with the Municipal Systems Act as well as the Municipal Finance Management Act	Approved PMS policy and implementation framework in place
		Functional and implementation of the PMS
		Quarterly performance reviews

2. KEY PERFORMANCE AREA : BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Key Focus Area	Objectives	Performance Measures
Water Services		Free Basic Water Services
		Number of households receiving free basic water services
		Number of poor households receiving free basic water against total number of poor households. Number of poor households remaining to be served.
Water supply		Total number of households served against total number of households. Number of households remaining to be served.
		Reduction of unaccounted for water
Water at Schools		Total number of schools Number of schools served and number of schools remaining to be served
Water at clinics		Total number of clinics Total number of clinics served and number of clinics remaining to be served
Sanitation services		Total number of households served against total number of households Number of households remaining to be served
Sanitation at school		Number of schools served against total number of schools Number of schools remaining to be served

Key Focus Area	Objectives	Performance Measures
Sanitation in clinics		Number of clinics served against total number of clinics served Number of clinics remaining to be served
Electricity		Total number of households served against total number of households Total number of households remaining to be served
Free basic energy		Total number of households served Total number of poor households served against total number of poor households
Waste Removal (Solid Waste)		Waste Removal Policy
		Total number of household served against total number of households Number of households remaining to be served
Roads and storm water		Roads Infrastructure Strategy
		New roads planned for 2007/08 and progress made to date
		Maintenance and Rehabilitation of roads and storm water drainage
Indigent Policy Implementation Framework		Development of indigent policies in municipalities

Key Focus Area	Objectives	Performance Measures
		Development of indigent registers
Municipal Infrastructure Grant		Development of Municipal Infrastructure Investment Framework Strategy
		Development of Land Use Management Planning system
		Improving expenditure on MIG Actual 2007/08 MIG expenditure against total budget allocation
		EPWP Number of project under EPWP Number of job created through the EPWP projects
		Municipal Housing Plan & strategy implementation
		Municipal Housing Plan
		Housing Beneficiary List
		Community Facilities
		Sports and recreation facilities planned for 2007/08 Progress to date

Key Focus Area	Objectives	Performance Measures
		Public facilities planned for 2007/08 and progress made to date

3. KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT

Key Focus Area	Objectives	Performance Measures
Implementation of the LED Strategy		Alignment of the District LED strategy with Local Municipalities LED Strategies
		Alignment of LED Strategy with PGDS, EPWP, ASIGISA; PPP; NSDP;
		Implementation of District LED Summit Action Plan Anchor Projects implemented
		Functionality of LED District Forum
		Establishment and functionality of LED units
		LED job creation initiatives Number of jobs created through LED

4. KEY PERFORMANCE AREA: FINANCIAL VIAIBILITY AND MANAGEMENT

Key Focus Area	Objectives	Performance Measures
MFMA Institutional compliance		Budget and Treasury Office
		MFMA implementation, monitoring and compliance plan
		Audit Committee
		Internal Audit Unit
Implementation of financial systems, policies, and controls and regulations		Delegation of financial powers and functions
		Supply Chain Management policy
		BEE scorecards (% of contracts awarded to BEE, Youth, woman and disabled)
		Credit control and debt Policy
		Revenue collection strategies & targets for cost recovery

		Implementation of valuation rolls
		Improvement of billing strategies and systems
		Compliance with accounting standards and systems
Budget and Expenditure Management		Preparation, and adoption of budget in compliance with MFMA
		Monthly and Quarterly Financial Reports
Financial Statements		Implementation Plan to address audit reports of the Auditor General
		Implementation of the Municipal Property Rates Act
		Property Rates Policy approved
		Valuation roll compiled
		Commencement of the valuation roll implementation

5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Focus Area	Objectives	Performance Measures
Running of municipal council		Ordinary and special Council sitting
		Functionality of Mayoral committee & portfolio committee
		By-Laws, Policies and Strategy approval
		Conducting of by-laws in compliance with Municipal Electoral Act 2002
		Number of traditional leaders trained
		Number of traditional leaders participating in council
Public Participation, Ward Committees		Establishment and Functionality of Wards committees
		Budget and administrative support for ward committee
		Number of ward established and number of functional wards

		Number of CDW deployed
District IGR structures		Number of District Mayors Forum attended against number planned
		Number of District MM Forum attended against number of forums held
Corporate Governance		Implementation of Communication Policies and Strategies
		Communication Strategy in place
		Communication unit
		Community satisfaction surveys
		Functional complaint management systems
		Municipal Information Technology
		Municipal Information Masters Systems Plan
		Municipal website functional and updated
		Provision of municipal services via electronic communication

Monitoring												
Review Planned performance												
Compile quarterly report	x			X			x			x		
Submit quarterly report to the audit office				X			x			x		
Submission of the PMS to council												
Submit quarterly report to DLGH				X			x			x		
Mid Year Performance and Budget Assessment												
Evaluating performance				X			x			x		
Identify performance gaps on projects and programmes							x					
Annual Performance Report							x		x			

ANNEXURE B: INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM FOR SECTION 57 MANAGERS

Section 57 Managers will be subjected to performance management system as stipulated by the Performance Regulation of 2003.

1. PERFORMANCE OBJECTIVES

1.1. The Performance Plan sets out:

- 1.1.1. the performance objectives and targets that must be met by the Employee; and
- 1.1.2. the time frames within which those performance objectives and targets must be met

1.2. The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.

1.3. The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

1.4 .The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

2. PARTICIPATION IN THE PERFORMANCE MANAGEMENT SYSTEM

2.1. The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.

2.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

2.3. The Employer will consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

2.4. The Employee agrees to participate in the performance management and development system that the Employer adopts.

2.5. The Employee undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.

2.4. The criteria upon which the performance of the Employee shall be assessed shall consist of two components both of which shall be contained in the Performance Agreement.

2.4.1. 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 Managerial Competencies (CMC5) respectively.

2.4.2. Each area of assessment will be weighted and will contribute a specific part to the total score.

2.4.3. KPA's covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment

2.4.4. The Employee's assessment will be based on her performance in terms of the outputs/ outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee

2.4.5. The CMCs will make up the other 20% of the Employee's assessment score. CMCs that are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	20
Municipal Institutional Development and Transformation	30
Local Economic Development (LED)	10
Municipal Financial Viability and Management	10
Good Governance and Public Participation	30
Total	100%

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	U	WEIGHT
Strategic capability		
Programme and Project Management		

Financial Management		
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analytical Thinking		
People and Diversity Management		
Client Orientation and Customer Focus		
Communication		
Accountability and Ethical Conduct		
Policy conceptualization and Implementation		
Mediation Skills		
Advanced negotiation Skills		
Advanced influencing Skills		
Partnership and stakeholder relations		
Supply chain management		
		100%

3.. EVALUATING PERFORMANCE

3.1. The Performance Plan (Annexure A) to this Agreement sets out -

3.1.1. the standards and procedures for evaluating the Employee's performance; and

3.1.2. the intervals for the evaluation of the Employee's performance.

3.2. Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

3.3. Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames. 3

3.4. The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

3.5. The annual performance appraisal will involve:

3.5.1. Assessment of the achievement of results as outlined in the performance plan;

(a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

(b) An indicative rating on the five-point scale should be provided for each KP.

(c) The applicable assessment rating calculator (refer to paragraph 2.6. below) must then be used to add the scores and calculate a final KPA score.

3.5.2. Assessment of the CMC's

(a) Each CMC should be assessed according to the extent to which the specified standards have been met.

(b) An indicative rating on the five-point scale should be provided for each CMC.

(c) The applicable assessment rating calculator (refer to paragraph 3.6. below) must then be used to add the scores and calculate a final CMC score.

3.5.3. Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

3.6. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:

Level	Terminology	Description	Rating
5	Outstanding performance	Performance far exceeds the standard expected of the 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 PA and Performance plan and maintained this in all areas of responsibility throughout the year.	

4	Performance Significantly Above Expectations	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	Fully effective	Performance fully meets the standard 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 PA and Performance Plan	
2	Not effective	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 the key performance criteria and indicators as specified in the PA and Performance Plan	
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against all of the performance criteria and indicators as specified in the PA 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	

3.7. For purposes of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established

- 3.7.1. Mayor and/ member of Executive Committee
- 3.7.2. Chairperson of the Audit Committee;
- 3.7.3. Ward committee member (on a rotational basis), where applicable;
- 3.7.4. Representative from Coghsta
- 3.7.5. Municipal Manager from another Municipality.

4. SCHEDULE FOR PERFORMANCE REVIEWS

4.1. The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter: July — September
Second quarter :October — December
Third quarter : January — March
Fourth quarter: April—June

- 4.2. The Employer shall keep a record of the mid-year review and annual assessment meetings.
- 4.3 .Performance feedback shall be based on the Employer's assessment of the Employee's

performance.

4.4. The Employer will be entitled to review and make reasonable changes to the provisions of Annexure “A” from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

4.5. The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

5. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps shall be as follows:

1. Skills/ Performance Gap (in order of priority)	2. Outcomes Expected (measurable Indicators: quantity, quality and time frames)	3. Suggested training and/or development activity.	4. Suggested mode of delivery	5. Suggested Time Frames Jan-June 2007	6. Work opportunity created to practice skills development area	7. Support Person

6. OBLIGATIONS OF THE EMPLOYER

The Employer shall —

- 6.1.1 create an enabling environment to facilitate effective performance by the employee;
- 6.1.2 provide access to skills development and capacity building opportunities;
- 6.1.3 work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 6.1.4 on the request of the Employee delegate such powers reasonably required by the Employee to enable her to meet the performance objectives and targets established in terms of this Agreement; and
- 6.1.5 make available to the Employee such resources as the Employee may reasonably require from time to time to assist her to meet the performance objectives and targets established in terms of this Agreement .

7. CONSULTATION

7.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others —

- 7.1.1 a direct effect on the performance of any of the Employee’s functions;
- 7.1.2 commit the Employee to implement or to give effect to a decision made by the Employer; and
- 7.1.3 a substantial financial effect on the Employer.

7.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

8. MANAGEMENT OF EVALUATION OUTCOMES

8.1. The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

8.2. A **performance bonus of 5% to 14%** of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.

8.3. The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.

8.4. In the case of unacceptable performance, the Employer shall —

8.4.1. provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

8.4.2. after appropriate performance counseling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, 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.

9. DISPUTE RESOLUTION

9.1. Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by

9.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or

9.1.2 any other person appointed by the MEC.

9.2. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

10. GENERAL

10.1. The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.

10.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

ANNEXURE C: POLICY GUIDELINES FOR INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM FOR NON SECTION 57 MANAGERS AND STAFF

1. Introduction

The purpose of these policy guidelines is to customize the principles and framework of Performance Management and Development system (PMDS) in Fetakgomo Local Municipality with a view to providing measures and guidelines for the monitoring individual performance by staff members. The performance of employees is critical to the success of any organization to achieve its goals. The Performance Management system provides measures for the department to determine the extent to which individual employees achieve their set objectives and the overall performance of the department in terms of its mandates.

2. Objectives

- ❖ To provide a framework to manage performance in a consultative, transparent and non-discriminatory manner in order to enhance efficiency and effectiveness.
- ❖ To allow for the development of common language and the use of standard terminology
- ❖ To create a culture of best value approach to service delivery
- ❖ To ensure a linkage between the Strategic Plan and the performance of individuals.
- ❖ To develop Service Delivery Standards for Units and performance of individuals.
- ❖ To provide guidelines on the assessment and rewarding of individual performance.
- ❖ To provide guidelines of dealing with under-performance.
- ❖ To develop the skills that assist individuals in performing their functions.
- ❖ To provide guidelines on career pathing and corrective placement.

3. Mandates

The Department's Performance Management System has been developed based on:

3.1. Acts of Parliament

- (a) The Constitution, 1996
- (b) The Public Service Act, 1994
- (c) The Labour Relation Act, 1995
- (d) Skills Development Act, 1998
- (e) Basic Conditions of Employment Act, 1998
- (f) Employment Equity Act, 1998
- (g) Municipal Structures Act, 1998
- (h) Municipal Systems Act 2003
- (i) The Municipal Finance Management Act, 2003
- (j) The Promotion of Administrative Justice Act, 2000

3.2. White Papers

- (a) Transforming Public Service Delivery (Batho Pele), 1997
- (b) Public Service Training and Education, 1998
- (c) Transformation of the Public Service, 1995
- (d) Affirmative Action in the Public Service

3.3. Regulations.

- (a) Public Service Regulations, 2001
- (b) Treasury Regulations, 2001

3.4. Collective Agreements

All relevant SALGA Bargaining Council Resolution pertinent to the (performance related financial rewards and incentives) any other PSCBC Resolutions.

4. Policy Provisions and Responsibilities.

4.1. Consultation with Employee Organizations.

The municipality shall consult with recognized Labour Unions in the municipality for effective implementation of the PMDS.

4.2. Coordination of PMDS

The Human Resource component shall coordinate and monitor the implementation of Performance Management System in the municipality.

4.3. Performance Management and Evaluation Committees [PMECs]

Members of the PMEC shall be appointed and assigned the oversight function on the implementation of PMDS by the Accounting Officer. The PMEC shall consist of not more than five [5] members. The Strategic manager Corporate Services shall provide secretarial services to the PMEC. Recognized Labour Union must also be represented.

4.3.1 Composition of PMECS

a. Evaluation for Section 56/57 employees

- Supervisor,(MM, The Mayor or any delegated member of the Mayoral Committee)
- Audit Committee member
- Ward Committee member
- Representative from Coghsta
- Peers(MM-Municipal Manager from any municipality within the District)

b. Other employees

- Immediate Supervisor
- Neutral person(Union Rep)
- Customer or client department at same level as supervisor
- Colleague at same level

4.3.2 Main functions of PMECS

- (a) Strategically monitor the implementation of PMDS in line with the Municipal IDP, PM-policy guidelines.
- (b) Regularly advise the Municipal Manager on what steps needs to be taken in order to ensure full compliance with PMES by all employees.
- (c) Use annual performance evaluation results consolidated by the PMEC secretariat as a key milestone to look at the overall performance of the Department.
- (d) Ensure consistency in the performance evaluation process through analysis of consolidated annual evaluation reports by the PMEC secretariat.
- (e) Recommend any changes on the PMES to the Municipal Manager.
- (f) Deal with disputes between parties signing the Memorandum of Understanding.

4.4. Establishment of Moderating Committee.

- (a) The Municipal Manager must constitute a small committee to moderate performance reports for Section before they are submitted to the Corporate Services Department.
- (b) The moderated reports for employees other than Section 57 managers must be endorsed by the Head of the Department before they are submitted to the Corporate Services Department.
- (c) The Manager Human Resource must constitute a committee comprising of at least four managers to moderate reports for all employees below the managers reporting to section 57 managers downwards.
- (d) The Moderating Committees are not allowed to change the supervisors' scores instead they must advise the PMEC about the scores which are inconsistent with the targets of the Annual Performance/ Management Plans.
- (e) The Moderating Committee must ensure that the ratings are given supported by verifiable evidence and that there is a correlation between the ratings on the Quarterly review, Annual Evaluation reports, Memorandum of Understanding and Annual Departmental Performance Plan.

4.5. Dispute Resolution.

Any dispute about the performance reviews should be:

4.5.1. referred to allocated to a committee established by the Municipal Manager to deal with the matter. The committee shall make recommendations to the Municipal Manager.

4.5.2. Referred to SALGA Provincial Office within 30 days of assessment.

5. Compilation of Work Plan

5.1. Employees who should Compile Work Plan

- (a) All employees appointed permanently, on probation and on contract for 12 months and above must compile Work Plan which are relatively equivalent to Performance Agreements.
- (b) Members of Senior Management Service [SMS] must include eight (8) principles of Batho Pele in their Performance Agreements in terms of amendment to chapter 4 of the SMS handbook pertaining to PMDS.
- (c) All SMS members shall be exposed to a coalface of service delivery for a period of at least 5 days within the financial year under review.
- (d) Failure to compile and sign Performance Agreements/Memorandum of Understanding on Performance shall constitute misconduct and employees will be charged.
- (e) In the case of a newly appointed employee, the Performance Agreement/Memorandum of Understanding must be compiled retrospectively [that is, from the date of assumption of duty] within three [3] months after the assumption of duty.
- (f) All performance Agreement/ MOUs must be aligned with the Departmental Strategic plan/ Departmental Management plan/Directorate strategic plan.

- (g) Employees must submit their Performance Agreements/Memorandum of Understanding on Performance to Performance Management Unit on or before the **1st July of every financial year**. Employees who fail to submit their Work Plan within three weeks subsequent to the commencement of the new financial year will automatically be disqualified to participate in the incentive framework or granting of benefits and such employee will also be subjected to disciplinary action.

5.2. Employees Appointed in Acting Capacities

- (a) Employees appointed to act for a period six (6) months must only add the Key Result Areas/ Competencies of the post in which they are acting into the Work Plans of their permanent posts.

5.3. Employees who should not compile the Performance Agreements/Memorandum of Understanding.

- (a) Community Service Workers, Internships, Employees on Learnership Programme should not compile Work Plans.
- (b) Employees who are away on training for period of twelve (12) calendar months must not compile and sign MOU.

6. Quarterly Performance Review and Annual Evaluation.

6.1. Quarterly Performance Review.

- (a) All employees' performance shall be reviewed on a quarterly basis. The performance review shall be done with the participation of the assessed.
- (b) It is equally the responsibility of the employee as it is that of a supervisor to ensure that Performance reviews are conducted and the reports are compiled and signed by both parties.
- (c) The assessing employee shall at least be one level above the assessed employee. Employees acting in higher positions than the assessed can also, by virtue of their acting capacity, carry out the assessment of employees who are of equal rank with him/her.
- (d) Performance review reports and data on the employees whose performance has been reviewed shall be kept in the Performance Management unit.
- (e) Failure to submit the required reports that is, Performance Agreements, Memorandum of Understanding, quarterly and annual reports will constitute misconduct.
- (g) Employees who submit the quarterly evaluation reports and annual reports two (2) weeks after the deadline will automatically be disqualified to participate in the incentive framework or granting of Performance bonus and Pay Progression in spite of their good performance. Such employees will also be subjected to disciplinary action for failure to adhere to the policy.

6.1.1. Performance Assessment / Review Dates

- ❖ 1st quarter = July to September (to be conducted and submitted within 21 days subsequent to the closing of the quarter)
- ❖ 2nd quarter = October to December (to be conducted and submitted within 21 days weeks subsequent to the closing of the quarter)
- ❖ 3rd quarter = January to March (to be conducted and submitted 21 days subsequent to the closing of the quarter.
- ❖ 4th quarter = April to June (to be conducted and submitted within 21 days subsequent to the closing of the quarter.

6.2. Quarterly Performance Reviews: Employees appointed in an acting capacity.

- (a) The performance of an employee appointed to act in a post for a period of six (6) months and above, must be reviewed against the performance targets of the post in which he/ she is acting.
- (b) The performance of an employee appointed to act in a post for a period of less than six (6) months shall be reviewed against the performance targets of both the permanent post and the one in which she/ he is acting.
- (c) The performance reviews shall be carried out partly by the employee's previous supervisor and partly by the new supervisor for the period of appointment in an acting capacity.

6.3. Employees on probation.

- (a) Employees on probation must be reviewed on a quarterly basis using prescribed assessment format for Performance Management System
- (b) The employee's probationary appointment shall only be sanctioned by the authorized officers as per Human Resource Management delegations.
- (c) The probationary appointments will be monitored and coordinated by Performance Management unit.

6.4 Annual Evaluation/ Assessment

6.4.1 Guiding Principles.

- (a) Employees who are on a longer authorized absence from work will qualify for assessing with a view of granting performance bonus and pay progression provided they have completed at least six (6) months actual service and that they have been on the same salary [relative] notch counting from **01 July to 30 June** of the financial year.
- (b) Employees shall only qualify for assessment for the granting of Pay Progression and Performance bonus on condition the quarterly performance reviews [applicable also to employees on authorized absence] has been conducted and reports compiled accordingly.
- (c) The municipality is not allowed to exceed **1.5% of the total annual remuneration budget** of the employees when rewarding good performers. In case where the amount required is more than the available budget, the percentage bonuses will be scaled down until the total amount required is within the available budget. Payment of performance bonus and pay progression can only be effected once the Head of Department has approved the payments.
- (d) Employees who do not have Performance Agreements/MOUs and quarterly performance reviews reports and who are found to have refused to compile same without valid reasons must not be assessed and disciplinary action must be taken against such employees.
- (e) Employees on personal salary notches as well as employees on higher salary notches than the salary level of the post they are occupying, do not qualify for pay progression.
- (g) Employees on personal salary notches and employees on higher salary notches than the salary levels of the posts they are occupying and with 12 months continuous salary [counting from **01 July to 30 June** of the financial year] on the same salary [relative] notches shall qualify for consideration of performance bonus.

- (h) Employees seconded to other institutions for a period of more than three (3) months should be assessed in those institutions where they are seconded. The Performance evaluation results must be sent to their permanent workstations for inclusion in the schedule for awards. Their performance bonuses and pay progression shall be paid by their permanent workstations.
- (i) All the submission of necessary documents e.g. Memorandum of Work Plan Quarterly evaluation reports as well as annual evaluation reports will be subjected to the provision of section 6.1. paragraph G
- (i) Performance Management Committee shall play an oversight role in the evaluation process through comparative analysis of each section's quarterly progress reports and annual evaluation reports of the assessed employees. The supervisor's manager must endorse the employee's annual evaluation reports.
- (j) Where the employee is not satisfied with the process of assessment, she/he must sign the report and attach representation to her/his immediate supervisor. If the matter remains unresolved, it must be reported to Head of the Branch, Chief Directorates, Directorates. If the dispute is still unresolved, the matter can be referred to the appeal committee. If the dispute is not resolved the employee may lodge a grievance in terms of the grievance procedure to the Head of Department and subsequently to the MEC if the matter is not resolved and thereafter follow the labour court route if all internal measures have been exhausted.
- (k) The calculation of score and the granting of performance incentives will be guided by the table below for employees on salary level

POINTS	PERCENTAGE	RATING	MEANING	PAY PROGRESSION	% OF AWARD/BONUS
736 TO 750	150% and above	5+	Outstanding Performance	1 notch (1%)	13% to 14%
676 to 735	130% to 149%	5	Outstanding Performance	1 notch (1%)	9% to 12%
526 to 675	115% to 129%	4	Commendable Performance	1 notch (1%)	5% to 8%
376 to 525	100% to 114%	3	Satisfactory Performance	1 notch (1%)	No award
226 to 375	70% to 99%	2	Marginal Performance	No Pay Progression	No award
150 to 225	69% and lower	1	Unsatisfactory Performance	No Pay Progression	No award

6.3.2. Assessment of Employees who are on a Maternity Leave.

- (a) The employee must have worked at least six (6) months during that particular financial year [counting from 1 July to 30 June]. Such employee should have been on the same salary level [relative] in that financial year counting from 01 July to 30 June of the financial year and must have compiled and signed Performance Agreement/Memorandum of Understanding on Performance and quarterly review reports with the supervisor.
- (b) The available incidents in the performance review reports must be used as a basis for the employee's annual evaluation.

7. Managing Poor or Unacceptable Performance.

- (a) The supervisor shall in consultation with the Human Resource Development [HRD] directorate, develop Performance Improvement plans in respect of underperformers and ensure that they receive on the job training on a regular basis.
- (b) The HRD shall at the beginning of every financial year access the Performance Agreements/Memorandum of Understanding in the Performance Management Unit to compile and consolidate the skills audit report and ensure proper implementation of the findings.
- (c) The supervisors may in consultation with Employee Assistance Programme [EAP] unit arrange mandatory referral of challenged employees [i.e. employees with Personal problems which affect their performance at work to receive specialized treatment.
- (d) If a challenged employee has been identified, but refuses specialized treatment, and continues underperforming, the Department may take disciplinary action against her/him.
- (e) The employee on probation will have their probation be extended by a maximum of six (6) months due to poor performance.