

## Annexure A

### Performance Plan

#### Greater Tubatse Municipality



The *main parts* to this Performance Plan are:

1. Performance Plan Overview
2. Strategy Map
3. A statement about the *Purpose* of the Position;
4. A performance scorecard per Key Performance Areas (KPA's, DPLG), dealing with Key Performance Indicators (KPIs)
5. A performance scorecard per Key Performance Areas (KPA's, DPLG), dealing with Projects and main activities
6. Competencies
7. Approval of Personal Performance Plan
8. Summary Scorecard
9. Assessment Process

Name: L.M MOKWENA

Position: Chief Financial Officer

Accountable to: Municipal Manager

Plan Period: 01.07.08 – 30.06.09

# **Annexure A**

## **PERFORMANCE PLAN**

### **1. Purpose**

The performance plan defines the Council's expectations of the Chief Financial Officer's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

### **2. Objects of Local Government**

The following objects of local government will inform the Chief Financial Officer's performance against set performance indicators:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisations in the matters of local government.

### **3. Key Performance Areas**

The following Key Performance Areas (KPA's) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives listed in the table below:

- 3.1 Municipal Transformation and Organisational Development
- 3.2 Infrastructure Development and Service Delivery
- 3.3 Local Economic Development (LED)
- 3.4 Municipal Financial Viability and Management
- 3.5 Good Governance and Public Participation

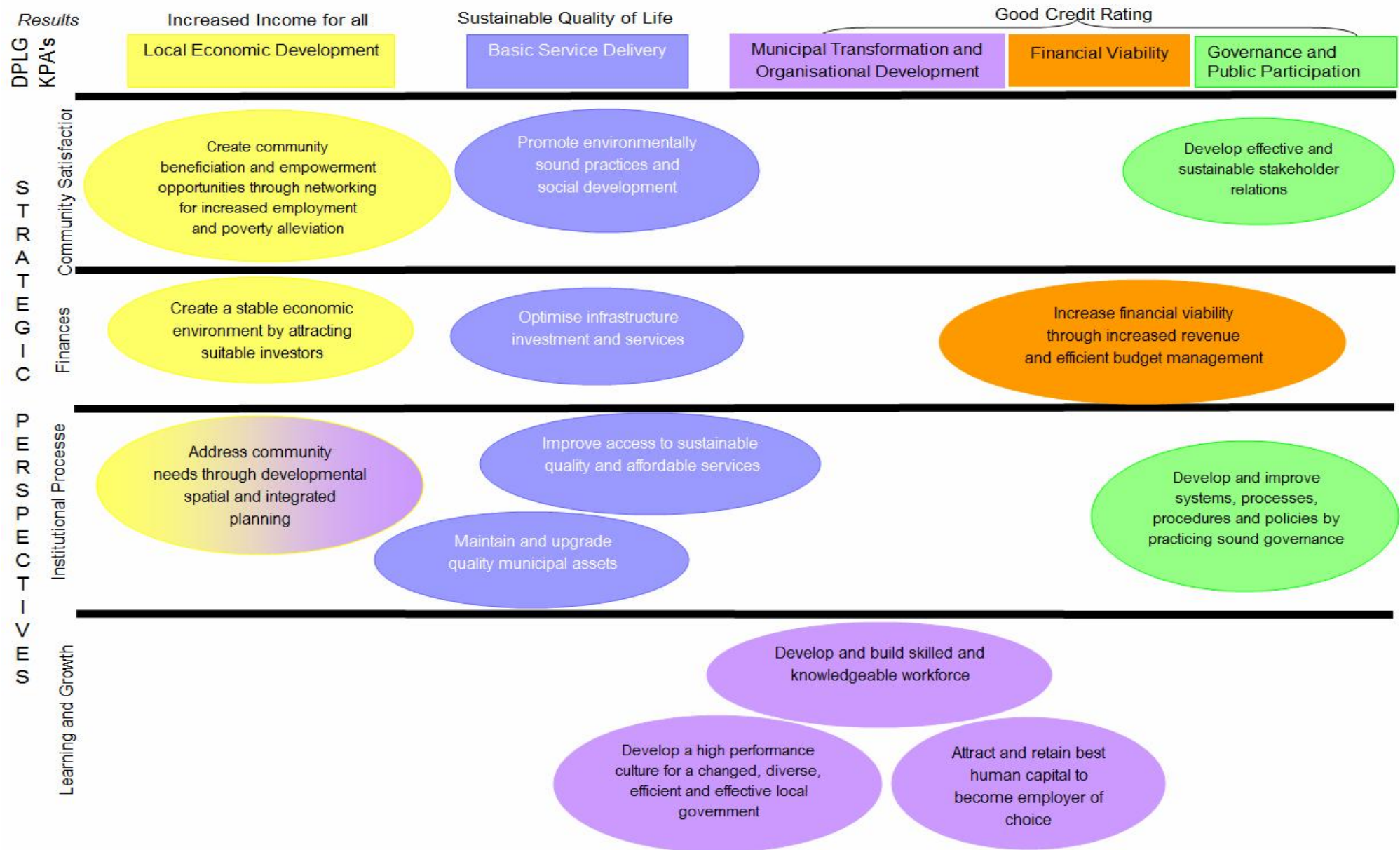
### **4. Balanced Scorecard Perspectives**

The BSC Methodology was used for the development of the Performance Management System and the perspectives used were:

- 4.1 Community
- 4.2 Financial
- 4.3 Institutional Processes
- 4.4 Learning and Growth

### **5. Strategic Objectives**

The Key Performance Indicators are devised according to the IDP  
Institutional Objectives to be achieved as depicted on the next page



## Purpose of the Position

### STRATEGIC VISION

To develop Tubatse as a Platinum City in an integrated manner to improve the quality of life for all

### STRATEGIC MISSION

#### To promote:

- local accountable democracy through active community participation;
- economic advancement to fight poverty and unemployment;
- needs satisfying service rendering in a sustainable affordable manner;
- municipal transformation and institutional development;
- environmental management to ensure a balance between human settlements and the economic base of the city

### Position Vision 2011

Total financial accountability through sound financial management focusing on exceeding customer expectations.

### Position Mission

To secure sound and sustainable management of the financial affairs of Greater Tubatse Municipality by managing the budget and treasury office and advising and if necessary assisting the accounting officer and other managers of their duties and delegation contained in the relevant legislation

### Basic Service Delivery Key Performance Indicators (10% Weighting)

BSC	Strategic Objective	KPI	Baseline 2007/8	Annual target 2008/9	2008/09 Quarterly Targets				Project / Initiative	Means of verification / (Evidence Required)
					1st Q	2nd Q	3rd Q	4th Q		
C2	Improve access to sustainable quality and affordable services	% progress with review of indigent register		100%	50%	100%			Indigent register	Indigent register
		% of Equitable share utilised for Indigents (FBS)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		
F2	Optimise infrastructure investment and services	# of days tenders awarded after advertisement		90	90	90	90	90	Supply Chain	Reports and register of SCM processes
		% of tenders (Capital projects) that subcontracted 25% of procurement to local business		30%	30%	30%	30%	30%		

### Basic Service Delivery Key Project Activities

BSC	Strategic Objective	Project Initiative	Budget 2008/9	Target Date	2008/09 Quarterly Activities			
					1st Q	2nd Q	3rd Q	4th Q
I1	Improve access to sustainable quality and affordable services	Indigent Register			Monitor and ensure that the review of the indigent register is at 50%. Report progress quarterly to council	Monitor and ensure that the review of the indigent register is completed. Report progress quarterly to council		
					Monitor and control spending on equitable share. Ensure that the spending is kept constant. Report the spending monthly to ExCo and quarterly to Council	Monitor and control spending on equitable share. Ensure that the spending is kept constant. Report the spending monthly to ExCo and quarterly to Council	Monitor and control spending on equitable share. Ensure that the spending is kept constant. Report the spending monthly to ExCo and quarterly to Council	Monitor and control spending on equitable share. Ensure that the spending is kept constant. Report the spending monthly to ExCo and quarterly to Council
F2	Optimise infrastructure investment and services	Supply Chain Management			Ensure that tender process do not go beyond 90 days, starting from advertisement to tender awarding.	Ensure that tender process do not go beyond 90 days, starting from advertisement to tender awarding.	Ensure that tender process do not go beyond 90 days, starting from advertisement to tender awarding.	Ensure that tender process do not go beyond 90 days, starting from advertisement to tender awarding.
					Ensure that every tender awardings are in line with the 30% target.	Ensure that every tender awardings are in line with the 30% target.	Ensure that every tender awardings are in line with the 30% target.	Ensure that every tender awardings are in line with the 30% target.

### Financial Viability Key Performance Indicators (80% Weighting)

BSC	Strategic Objective	KPI	Baseline 2007/8	Annual target 2008/9	2008/09 Quarterly Targets				Project / Initiative	Means of verification / (Evidence Required)
					1st Q	2nd Q	3rd Q	4th Q		
F3	Increase financial viability through increased revenue and efficient budget management	% Billing to customers	100%	100%	100%	100%	100%	100%	Revenue Management	Financial Reports
		R-value of billed revenue		R65,4m	R16,3m	R32,6m	R48,9m	R65,4m	Billing system	Financial Reports
		% of billed revenue collected		80%	80%	80%	80%	80%		Financial Reports
		R-value of budgeted intergovernmental grant received		R65,4m	R16,3m	R32,6m	R48,9m	R65,4m	Grant Management	Financial Reports
		R-value of all cash (incl investments) at particular time		R6,5m	R6,5m	R6,5m	R6,5m	R6,5m	Cash Management	Financial Reports
		R-value of monthly receipts (incl grants)		R130,6m	R32,7m	R32,7m	R32,7m	R32,7m	Expenditure Management	Financial Reports
		R-value of monthly OPEX		R143,7	R35,9	R35,9	R35,9	R35,9		Financial Reports
		% of OPEX to Revenue (Service revenue & OPER Grants)		110%	110%	110%	110%	110%		Financial Reports
		% spent on CAPEX		100%	20%	50%	80%	100%	Cpex Expenditure	Financial Reports
		Asset register (Unbundling of infrastructure assets)		100%	10%	60%	80%	100%	Asset Management	Financial Reports
		% Revenue collection	65%	80%	80%	80%	80%	80%	Loan Repayments	Financial Reports
		% loan repayments (interest & redemption)	100%	100%	100%	100%	100%	100%	Financial management	Financial Reports
		Ratio of Currents Assets to Current liabilities		03:01						Financial Reports
		Ratio of Total Assets to Total Liabilities		02:01						Financial Reports
		% debt recovery/ collection	49%	50%	50%	50%	50%	50%	Debt Recovery	Financial Reports
		%over/ underspending departmental budget		0%	0%	0%	0%	0%	Cash Flow Management	Financial Reports
		% of cost recovery of basic municipal service		80%	80%	80%	80%	80%	Cost Recovery	Financial Reports

## Financial Viability Project Activities

BSC	Strategic Objective	Project Initiative	Budget 2008/9	Target Date	2008/09 Quarterly Activities			
					1st Q	2nd Q	3rd Q	4th Q
F3	Increase financial viability through increased revenue and efficient budget management	Revenue Management			Monitor and ensure that billing is done monthly and monthly reports are submitted to ExCo and relevant external stakeholders	Monitor and ensure that billing is done monthly and monthly reports are submitted to ExCo and relevant external stakeholders	Monitor and ensure that billing is done monthly and monthly reports are submitted to ExCo and relevant external stakeholders	Monitor and ensure that billing is done monthly and monthly reports are submitted to ExCo and relevant external stakeholders
					Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council
		Billing System			Monitor and ensure that billing is done monthly and that the projected target are attained. Where there is poor performance suggest break throughs.	Monitor and ensure that billing is done monthly and that the projected target are attained. Where there is poor performance suggest break throughs.	Monitor and ensure that billing is done monthly and that the projected target are attained. Where there is poor performance suggest break throughs.	Monitor and ensure that billing is done monthly and that the projected target are attained. Where there is poor performance suggest break throughs.
		Grant Management			Monitor all spendings on the grants and ensure that all grants are received on time. Report monthly to ExCo and quarterly to Council on grants received and spending	Monitor all spendings on the grants and ensure that all grants are received on time. Report monthly to ExCo and quarterly to Council on grants received and spending	Monitor all spendings on the grants and ensure that all grants are received on time. Report monthly to ExCo and quarterly to Council on grants received and spending	Monitor all spendings on the grants and ensure that all grants are received on time. Report monthly to ExCo and quarterly to Council on grants received and spending
		Cash Management			Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council
		Expenditure Management			Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council	Ensure that the projected target is attained and provide solutions at poor performance. Report monthly to ExCo and quarterly to Council



## Financial Viability Project Activities

BSC	Strategic Objective	Project Initiative	Budget 2008/9	Target Date	2008/09 Quarterly Activities			
					1st Q	2nd Q	3rd Q	4th Q
F3	Increase financial viability through increased revenue and efficient budget management	Expenditure Management			Monitor, manage and ensure OPEX on revenue stay at 110% and report monthly to ExCo and quarterly to Council	Monitor, manage and ensure OPEX on revenue stay at 110% and report monthly to ExCo and quarterly to Council	Monitor, manage and ensure OPEX on revenue stay at 110% and report monthly to ExCo and quarterly to Council	Monitor, manage and ensure OPEX on revenue stay at 110% and report monthly to ExCo and quarterly to Council
		Capital Projects Expenditure			Ensure that departments spend their allocations on capital project correctly and advice in terms of over and underspendings	Ensure that departments spend their allocations on capital project correctly and advice in terms of over and underspendings	Ensure that departments spend their allocations on capital project correctly and advice in terms of over and underspendings	Ensure that departments spend their allocations on capital project correctly and advice in terms of over and underspendings
		Asset Management			Ensure that the asset register is updated regularly in line with the set targets	Ensure that the asset register is updated regularly in line with the set targets	Ensure that the asset register is updated regularly in line with the set targets	Ensure that the asset register is updated regularly in line with the set targets
					Ensure that revenue collection reach the targeted %. Provide advice in times of poor performance	Ensure that revenue collection reach the targeted %. Provide advice in times of poor performance	Ensure that revenue collection reach the targeted %. Provide advice in times of poor performance	Ensure that revenue collection reach the targeted %. Provide advice in times of poor performance
		Loan Repayments			Monitor and ensure loan payments are as per service level agreements and the payment stay at 100%	Monitor and ensure loan payments are as per service level agreements and the payment stay at 100%	Monitor and ensure loan payments are as per service level agreements and the payment stay at 100%	Monitor and ensure loan payments are as per service level agreements and the payment stay at 100%
		Financial Management			Monitor and ensure the ratio (Ratio of Currents Assets to Current liabilities) stay the same throughout the year report quarterly to Council	Monitor and ensure the ratio (Ratio of Currents Assets to Current liabilities) stay the same throughout the year report quarterly to Council	Monitor and ensure the ratio (Ratio of Currents Assets to Current liabilities) stay the same throughout the year report quarterly to Council	Monitor and ensure the ratio (Ratio of Currents Assets to Current liabilities) stay the same throughout the year report quarterly to Council
		Financial Management			Monitor and ensure the ratio (Ratio of Total Assets to Total Liabilities) stay the same throughout the year report quarterly to Council	Monitor and ensure the ratio (Ratio of Total Assets to Total Liabilities) stay the same throughout the year report quarterly to Council	Monitor and ensure the ratio (Ratio of Total Assets to Total Liabilities) stay the same throughout the year report quarterly to Council	Monitor and ensure the ratio (Ratio of Total Assets to Total Liabilities) stay the same throughout the year report quarterly to Council

## Financial Viability Project Activities

BSC	Strategic Objective	Project Initiative	Budget 2008/9	Target Date	2008/09 Quarterly Activities			
					1st Q	2nd Q	3rd Q	4th Q
F3	Increase financial viability through increased revenue and efficient budget management	Debt Recovery			Monitor and ensure that the collection ia above 50%. Provide advice in case of poor performance and update both ExCo and Council monthly and quarterly respectively	Monitor and ensure that the collection ia above 50%. Provide advice in case of poor performance and update both ExCo and Council monthly and quarterly respectively	Monitor and ensure that the collection ia above 50%. Provide advice in case of poor performance and update both ExCo and Council monthly and quarterly respectively	Monitor and ensure that the collection ia above 50%. Provide advice in case of poor performance and update both ExCo and Council monthly and quarterly respectively
		Cash Flow Management			Monitor and ensure that departments spend their allocations correctly. Advice in case of over or under spending. Report to both ExCo and Council monthly and quarterly respectively	Monitor and ensure that departments spend their allocations correctly. Advice in case of over or under spending. Report to both ExCo and Council monthly and quarterly respectively	Monitor and ensure that departments spend their allocations correctly. Advice in case of over or under spending. Report to both ExCo and Council monthly and quarterly respectively	Monitor and ensure that departments spend their allocations correctly. Advice in case of over or under spending. Report to both ExCo and Council monthly and quarterly respectively
		Cost Recovery			Monitor and ensure that % cost recovery on basic municipal services remain on or above 80%. Report both monthly and quarterly to ExCo and Council respectively	Monitor and ensure that % cost recovery on basic municipal services remain on or above 80%. Report both monthly and quarterly to ExCo and Council respectively	Monitor and ensure that % cost recovery on basic municipal services remain on or above 80%. Report both monthly and quarterly to ExCo and Council respectively	Monitor and ensure that % cost recovery on basic municipal services remain on or above 80%. Report both monthly and quarterly to ExCo and Council respectively

## Governance and Public Participation Key Performance Indicators (10% Weighting)

BSC	Strategic Objective	KPI	Baseline 2007/8	Annual target 2008/9	2008/09 Quarterly Targets				Project / Initiative	Means of verification / (Evidence Required)
					1st Q	2nd Q	3rd Q	4th Q		
C3	Develop effective and sustainable stakeholder relations	# of Masakhane campaign/Imbizo (Joint with other departments)	3	4	1	2	3	4	Masakhane campaigns	Program
		# quarterly financial reports within ten days after quarter ended	4	4	1	2	3	4	Financial reports	Reports
		# half-yearly reports submitted within ten days		1		1				Reports
		# of monthly financial report submitted to various stakeholders within 10 days after month end		12	3	6	9	12		Reports
		2007/08 financial statements submitted to AG by 31 August 2008		1	1				Financial statements	Signed receipt
I4	Develop and improve systems, processes, procedures and policies by practicing sound governance	Address audit queries	30 days	7 days	7 days	7 days	7 days	7 days	AG audit report	Audit report
		# of departmental meetings	12	12	3	6	9	12	Departmental meetings	Minutes and attendance register

## Governance and Public Participation Project Activities

BSC	Strategic Objective	Project Initiative	Budget 2008/9	Target Date	2008/09 Quarterly Activities			
					1st Q	2nd Q	3rd Q	4th Q
C3	Develop effective and sustainable stakeholder relations	Masakhane campaigns			Ensure that masakane campaign programme is prepared and the campaigns run according to in line with it.	Monitor the implementation of the masakane programme	Monitor the implementation of the masakane programme	Monitor the implementation of the masakane programme
		Financial reports			Ensure that monthly financial reports are compiled and issued out to relevant stakeholders within ten days after end month.	Ensure that monthly reports are compiled and issued out to relevant stakeholders within ten days after end month.	Ensure that monthly reports are compiled and issued out to relevant stakeholders within ten days after end month.	Ensure that monthly reports are compiled and issued out to relevant stakeholders within ten days after end month.
					Ensure that quarterly financial reports are compiled and issued out to relevant stakeholders within ten days after quarter end.	Ensure that quarterly financial reports are compiled and issued out to relevant stakeholders within ten days after quarter end.	Ensure that quarterly financial reports are compiled and issued out to relevant stakeholders within ten days after quarter end.	Ensure that quarterly financial reports are compiled and issued out to relevant stakeholders within ten days after quarter end.
						Ensure that half-yearly financial report is compiled and issued out to relevant stakeholders within ten days after end the second quarter.		
		Financial statements			Ensure that financial statement is prepared and submitted to AG on 31 August 2008.			
					Ensure that there is 100% compliance to Budget, Revenue, Expenditure, Cash and investments, Supply Chain and Asset management	Ensure that there is 100% compliance to Budget, Revenue, Expenditure, Cash and investments, Supply Chain and Asset management	Ensure that there is 100% compliance to Budget, Revenue, Expenditure, Cash and investments, Supply Chain and Asset management	Ensure that there is 100% compliance to Budget, Revenue, Expenditure, Cash and investments, Supply Chain and Asset management

## Governance and Public Participation Project Activities

BSC	Strategic Objective	Project Initiative	Budget 2008/9	Target Date	2008/09 Quarterly Activities			
					1st Q	2nd Q	3rd Q	4th Q
I4	Develop and improve systems, processes, procedures and policies by practicing sound governance	AG audit report			Ensure that audit queries are responded to within 7 days	Ensure that audit queries are responded to within 7 days	Ensure that audit queries are responded to within 7 days	Ensure that audit queries are responded to within 7 days
		Departmental meetings			Prepare monthly meetings schedule and ensure the meeting sit monthly and minutes are taken in every meeting	Ensure the meeting sit monthly and minutes are taken in every meeting	Ensure the meeting sit monthly and minutes are taken in every meeting	Ensure the meeting sit monthly and minutes are taken in every meeting

Competencies			
Competencies *	Definitions	Weighting	Proficiency Level **
Strategic Capability and Leadership	Must be able to provide vision, set the direction for the municipality and inspire others in order to deliver on the municipality's mandate	10	1
Programme and Project Management	Must be able to plan, manage, monitor and evaluate specific activities in order to ensure that policies are implemented and that Local Government objectives are achieved	5	1
Financial Management	Must be able to know, understand and comply with the Municipal Finance Management Act No 56 of 2003.	20	1
Change Management	Must be able to initiate and support municipal transformation and change in order to successfully implement new initiatives and deliver on service delivery commitments	5	1
Knowledge Management	Must be able to promote the generation and sharing of knowledge and learning in order to enhance the collective knowledge of the municipality	5	1
Service Delivery Innovation	Must be able to explore and implement new ways of delivering services that contribute to the improvement of municipal processes in order to achieve municipal goals	5	1
Problem Solving and Analysis	Must be able to systematically identify, analyse and resolve existing and anticipated problems in order to reach optimum solutions in a timely manner	5	1
People Management and Empowerment	Must be able to manage and encourage people, optimise their outputs and effectively manage relationships in order to achieve the municipality's goals	5	1
Client Orientation and Customer Focus	Must be willing and able to deliver services effectively in order to put the spirit of customer service (Batho Pele) into practice	5	1
Communication	Must be able to exchange information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence others to achieve the desired outcomes	10	1
Accountability and Ethical Conduct	Must be able to display and build the highest standard of ethical and moral conduct in order to promote confidence and trust in the municipality	5	1
Knowledge		5	1
Skills		5	1
Communication		5	1
Creativity		5	1
<b>Section Total:</b>		<b>100%</b>	

\* As published and defined within the Draft Competency Guidelines; Government Gazette 23 March 2007

\*\* Proficiency levels (1, 2 or 3) as stipulated in the Draft Competency Guidelines; Government Gazette 23 March 2007

## Approval of the Personal Performance Plan

The process followed ensures individual alignment to the strategic intent of the institution and give clear direction on what needs to be achieved through a self-directed approach to execute on the objectives, to build sound relationships, to develop human capital and to strengthen the organisation through excellent performance. This plan has derived from intense workshopping to ensure integration, motivation and self-direction. The employer and employee both have responsibilities and accountabilities in getting value from this plan. Neither party can succeed without the support of the other.

### Undertaking of the employer / superior

On behalf of my organisation, I undertake to ensure that a work environment conducive for excellent employee performance is established and maintained. As such, I undertake to lead to the best of my ability, communicate comprehensively, and empower managers and employees. Employees will have access to ongoing learning, will be coached, and will clearly understand what is expected of them. I herewith approve this Performance Plan.

Signed and accepted by the Supervisor on behalf of Council:

**DATE:**

### Undertaking of the employee

I herewith confirm that I understand the strategic importance of my position within the broader organisation. I furthermore confirm that I understand the purpose of my position, as well as the criteria on which my performance will be evaluated twice annually. As such, I therefore commit to do my utmost to live up to these expectations and to serve the organisation, my superiors, my colleagues and the community with loyalty, integrity and enthusiasm at all times. I herby confirm and accept the conditions to this plan.

Signed and accepted by the Employee:

**DATE:**

Summary Scorecard				
Position Outcomes/Outputs	Assess Weighting	1st Assessment	2nd Assessment	Total Score
Key Performance Areas	100			
Municipal Institutional Development and Transformation	0			
Basic Service Delivery	10			
Local Economic Development (LED)	0			
Municipal Financial Viability and Management	80			
Good Governance and Public Participation	10			
Competencies	100			
Overall Rating =	KPA x 0.8 + Competencies x 0.2	KPA x 0.8 + Competencies x 0.2	KPA x 0.8 + Competencies x 0.2	Average 1st assessment + 2nd assessment



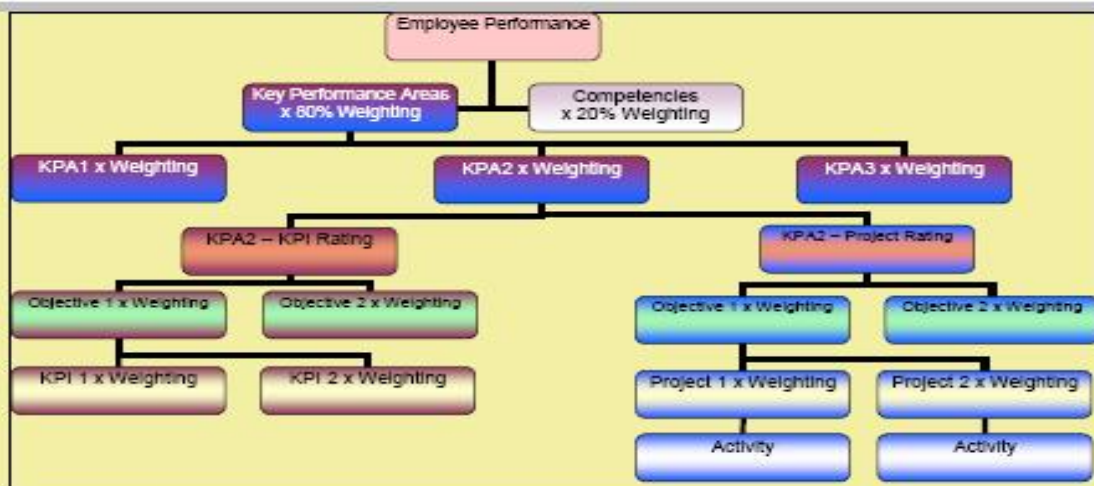
The assessment of the performance of the Employee will be based on the following				
5	4	3	2	1
Outstanding Performance	Performance Significantly Above Expectations	Fully Effective	Not Fully Effective	Unacceptable Performance
Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	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.	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	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.	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all 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.

## Performance Assessment Process

The following steps will be followed to ensure a fully participative and compliant performance assessment process is adhered to.

1. Performance Reviews:
  - 1.1. Formal reviews between employee and employer will take place in January and July of every year to measure the performance of the employee against the agreed performance targets for the half yearly and yearly reviews respectively.
  - 1.2. Data for the SDBIP will be captured before assessment date and scores will be calculated for the KPI's and Activities.
  - 1.3. KPI's are audited and the ratings are copied to the Performance Plans.
2. The employee being assessed will compile a portfolio of evidence confirming the level of performance achieved for a given review period and submit to the panel as described in his/her performance agreement, one calendar week prior to date of review. One independent person will be assigned to the panel by the council to act as an Observer.
3. The employee must also do a rating on him/herself and submit the rating to the panel together with the portfolio of evidence one calendar week prior to date of review.
4. The assessment rating calculator referred to in paragraph 6.5.1 of the performance agreement will be used to add the scores to arrive at an overall rating / score. The five point rating scale and the scores corresponds as follows:

Rating:	1	2	3	4	5
% Score:	0-66	67-99	100-132	133-166	167
5. The panel will focus on the differences between the employees rating and score and that of the SDBIP rating to give a final Key Performance Indicator rating. The **process** for Employee ratings are as follows:
  - 5.1. Rate the achievement in scores for the KPI's and that of projects on a 5 point scale, indicating the level of over- or under performance in terms of decimal places shown in the example below: These are defined in the performance agreement (total weighting = 80%).
  - 5.2. Example of KPI Score:  
  
Actual : R1,000  
Target: R3,500  
  
$$\frac{\text{Actual}}{\text{Target}} = \frac{1000}{3500} \times 100 = 28.6\% \text{ of target was achieved, therefore}$$
**Score = 1.286**
  - 5.3. Rate the employee's core competency requirements (CCR) on the 5 point scale indicating the level of over- or under performance in the decimal places (total weighting = 20%).
6. The Employee Scores are calculated as per the diagram below:



The above calculations are derived from the Performance Plans as follows:

#### Project Scores

KPA 4. Municipal Financial Viability and Management - Projects															
B S C	IDP Objective	Objective Weighting	Project / Initiative	Project Weighting	Budget 2007/08	2007/08 Quarterly Targets						Evidence Required	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
						Target date	Quantity - Output	1st Q	2nd Q	3rd Q	4th Q				
13	Develop and improve systems, processes, procedures and policies by practicing sound governance	50%	Audit Register and plan		General Exp	07/07/31	Mentoring and coaching of audit	Drafting of audit register and plan	Conduct audits i.t.o. developed plan	Conduct audits i.t.o. developed plan	Conduct audits i.t.o. developed plan. Monthly audit reporting	Register and plan and monthly reports			
Projects Score = Activity 1-5 score (decimal places shows % of target), Activity score imported from SDBIP rating															
							reporting	ensure the mentoring and coaching of audit staff. Conduct	ing. Updating of audit records. Inform all direct orates when external	reporting					

## KPA Scores

### KPA 4. Municipal Financial Viability and Management - KPI's

B S C	IDP Object ive	Obj ect ive We igh tin g	Strategic KPI	Ins titu tio nal KPI	KPI Weig hting	Baseli ne 2007/0 8	Annual 2007/08 target	2007/08 Quarterly Targets				Evide nce Requi red	1st Assess ment (rated 1-5)	2nd Assess ment (rated 1-5)	Fin al Sc ore
F 3	Increase financial viability through increased revenue and efficient budget management	60 %	% financial viability (applicab le i.t.o. MFMA)			11%	89%	3 rd Q	50%	75%	89%	Finan cial report s			
			R-value revenue sourced						497, 079, 000	497, 079, 000	497, 079, 000	Finan cial report s			

KPI Score = 1-5 (decimal places shows % of target), KPI score imported from SDSIP Rating

Objective Score = Weight x KPI Score

## Core Competencies:

	Weightin g	2nd Quarter	4th Quarter	Total Score
Strategic Capability	10%			
Programme and Project Management	30%			
Financial Management	15%			
Change Management	15%			
Supply Chain Management	30%			
<b>Weighting Total</b>	<b>100%</b>			
<b>Section Total:</b>	<b>20%</b>			

A score from 1 – 5 is given and multiplied by the weight for the final score. i.e. 4 out of 5 \* 30%

The various scores are all added, and then multiplied by 20% (0,2) to give the Competency score to be carried across to the Summary Scorecard

7. The performance bonus percentages described in paragraph 11 of the performance agreement will be calculated on a sliding scale as indicated in table below:

% Rating Over Performance	% Bonus
130 - 133.8	5%
133.9 - 137.6	6%
137.7 - 141.4	7%
141.5 - 145.2	8%
145.3 - 149	9%
150 - 153.4	10%
153.5 - 156.8	11%
156.9 - 160.2	12%
160.2 - 163.6	13%
163.7 - 167	14%

- Performance bonus percentage for the two performance reviews will be used to calculate the average of the two reviews scores and will determine the person's final percentage performance bonus.
- The Personal Development Plan (PDP) will be concluded at the panel discussion after the performance review had been finalised, and more clarity has been established on what the essential development needs for the relevant person will be.
- The results of the performance and development review (PDR) will be submitted to the performance audit committee for final approval of the assessment/s.
- The performance assessment results of the Municipal Manager will also be submitted to the MEC responsible for Local Government in the relevant Province.