



Mossel Bay
M U N I C I P A L I T Y

POLICY NAME	Performance Management and Development Policy and Framework
Directorate	Corporate Services
Council Resolution No	E282-09/2025
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LIST OF ACRONYMS

AG	: Auditor General
CCR	: Core Competency Requirement
IDP	: Integrated Development Plan
KPA	: Key Performance Areas
KPI	: Key Performance Indicators
LED	: Local Economic Development
MEC	: Member of the Executive Council
MFMA	: Municipal Financial Management Act
MPAC	: Municipal Public Accounts Committee
MSA	: Municipal Systems Act
MTEF	: Medium Term Economic Framework
PDP	: Personal Development Plan
PMDS	: Performance Management and Development System
POE	: Portfolio of Evidence
SALGA	: South African Local Government Association
SDBIP	: Service Delivery and Budget Implementation Plan
SFA	: Strategic Focus Area
SMART	: Specific, Measurable, Achievable, Relevant, Time-bound
TL SDBIP	: Top Layer Service Delivery Budget Implementation Plan
WSP	: Workplace Skills Plan

DEFINITIONS

"Accounting Officer"

in relation to a municipality, means the municipal official referred to in section 60 of the Local Government: Municipal Finance Management Act

"Baseline"

The accurate and quantitative data at a stated point in time that marks the beginning of a trend.

"Competency"

Skills, knowledge, experience and qualifications that are required to perform a job effectively

"Corrective Measure"

Corrective Measures on the other hand refers to those measures and controls that will be implemented to correct under-performance to avoid the reoccurrence thereof.

"Councillor"

A member of a municipal Council.

"Section 57 Employee"

A person employed by a Municipality as a Municipal Manager or as a manager directly accountable to a Municipal Manager;

"Employee"

A permanent employee of the municipality or an employee appointed on a fixed-term contract for longer than 12 months, excluding senior managers

"Employer"

The Municipality employing a person as a Municipal Manager or as manager directly accountable to a Municipal Manager and as represented by the mayor, Executive Mayor or Municipal Manager as the case may be;

"Employment Contract"

A contract as contemplated in Section 57 of the Municipal Systems Act;

"Input Indicator"

An indicator that measures the costs, resources and time used to produce an output

"Integrated Development Plan"

A plan envisaged in section 25 of the Municipal Systems Act

"KPAs"

means key performance areas;

"KPIs"

means key performance indicators;

"Local Community" or "Community"

In relation to a Municipality, means that body or persons comprising —

- a) the residents of the Municipality
- b) the ratepayers of the Municipality
- c) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality

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¹ Staff or staff member for the purpose of these regulations means an employee of a municipality, but excludes senior managers;

"Mayor"

In relation to —

- a) a Municipality with an Executive Mayor, means the councillor elected as the Executive Mayor of the Municipality in terms of section 55 of the Municipal Structures Act; or
- b) a Municipality with an executive committee, means the councillor elected as the mayor of the Municipality in terms of section 48 of that Act

"Moderation"

The process of aligning the employee's performance ratings to the performance of the department during the performance cycle and, where applicable, the municipality.

"Municipality"

When referred to as —

- a) an entity, means a Municipality as described in section 2; and
- b) a geographical area means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)

"Municipal Council" or "Council"

A Municipal Council referred to in section 157(1) of the Constitution

"Municipal Finance Management Act"

The Local Government: Municipal Finance Management Act, 2003, and any regulations made under that Act

"Municipal Service"

Has the meaning assigned to it in section 1 of the Municipal Systems Act

"Municipal Structures Act"

The Local Government: Municipal Structures Act No. 117 of 1998

"Municipal Systems Act"

The Local Government: Municipal Systems Act No.32 of 2000

"Outcome Indicator"

An indicator that measures the quality and or impact of an output on achieving a particular objective

"Output Indicator"

An indicator that measures the results of activities, processes and strategies of a program of a Municipality

"Performance Agreement"

An agreement as contemplated in Section 57 of the Municipal Systems Act or a written agreement concluded annually between a municipality and a employee that sets out the agreed KPAs and KPIs within a performance cycle.

"Performance Comment"

Performance Comments provide context to the reported performance on the specific indicator, this is the opportunity to elaborate on the actions needed to be done to achieve or exceed the target.

"Performance cycle"

The period commencing 1 July annually and ending 30 June the following year for which performance is planned, managed, and assessed.

"Performance Plan"

A part of the performance agreement which details the performance objectives and targets that must be met and time frame within which these must be met.

"Portfolio of evidence"

A portfolio of evidence (POE) is any supporting motivations or a collection of various documentation that are used to show that performance requirements have been met.

"Service Delivery and Budget Implementation Plan"

Means a detailed plan approved by the Mayor of a Municipality in terms of section 53 (1) (c) (ii) of the Municipal Finance Management Act for implementing the Municipality's delivery of municipal services and its annual budget, and which must indicate —

- a) projections for each month of —
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- b) service delivery targets and performance indicators for each quarter; and
- c) any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c) of the Municipal Finance Management Act

"Senior Manager"

Means a municipal manager or acting municipal manager, appointed in terms of section 54A of the Municipal Systems Act and a manager or acting manager directly accountable to a municipal manager appointed in terms of section 56 of the Municipal Systems Act.

"Supervisor"

Means an employee's line manager

"The Act"

The Local Government: Municipal Systems Act No.32 of 2000

"Ward committee"

Means a ward committee established in terms of Section 73 of The Local Government: Municipal Structures Act.

1. BACKGROUND AND INTRODUCTION

Performance Management is a strategic approach to management. It is a process which measures the implementation of the organisation's development and growth strategy. It equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques for regularly planning, continuously monitoring, and periodically measuring and reviewing the performance of the Municipality in terms of indicators and targets for efficiency, effectiveness and economy.

Performance Management is aimed at ensuring that Municipality's monitor their Integrated Development Plan's and continuously improve their operations and in terms of Section 19 of the Local Government: Municipal Structures Act No. 117 of 1998 that they annually review their overall performance in achieving their constitutional objectives.

It also forms the basis for aligning the Integrated Development Plan (IDP) with the operational business plans, performance areas and performance indicators of the various departments of the Mossel Bay Municipality. Performance Management provides the vital link to determine whether the Municipality is delivering on its objective and to alert managers to areas where corrective action is required.

The Performance Management and Development Policy and Framework describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measuring, reviewing, reporting and improvement will be conducted, organised and managed.

2. OBJECTIVE OF PERFORMANCE MANAGEMENT AND DEVELOPMENT POLICY AND FRAMEWORK

As a trendsetting Municipality, Mossel Bay Municipality seeks to create an efficient and effective Performance Management and Development system

- a) to provide a clear overview and description of the Performance Management and Development system;
- b) to clarify the role of the Performance Management and Development system within the Municipality;
- c) to guide the implementation and functioning of both the Organisational and Individual Performance Management and Development system;
- d) to assign responsibility to individuals with regards to Performance Management;
- e) to give effect to the legislative obligations of the Municipality in an transparent and focused manner;
- f) to incorporate the performance management processes applicable to Directors and how these relate to and link with the system in a holistic, institution wide, policy;
- g) to provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvement; and
- h) to link the IDP, the Budget and a Performance Management and Development system in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all employees and the local community;
- i) to clarify definitions and standards for performance information in support of regular audits of such information where appropriate;
- j) to improve integrated structures, systems and processes required to manage performance information;
- k) to define roles and responsibilities for managing performance information;
- l) to promote accountability and transparency by providing Parliament, provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information;
- m) to monitor, analyse and benchmark performance;

- n) to translate its vision, mission and IDP into clearly measurable outcomes, indicators and performance levels that define success, and that are shared throughout the Municipality and with its customers and stakeholders;
- o) to provide a tool for assessing, managing, and improving the overall health and success of business processes and systems;
- p) to continue to shift from prescriptive and simply audited oversight to ongoing, forward-looking and compliance-based strategic partnerships involving communities, citizens and other stakeholders;
- q) to promote accountability;
- r) include measures of quality, cost, speed, customer service, and employee alignment, motivation, and skills to provide an in-depth, Performance Management and Development system;
- s) to provide services in an efficient, effective and economic manner;
- t) to understand the role, duties and responsibilities of employees;
- u) to implement focused management linked to an early warning system; and
- v) to adequately provide for community consultation and the opportunity to have a clearer insight in the performance of the Municipality.

3. LEGISLATIVE FRAMEWORK

This Performance Management and Development Policy and Framework has been developed in accordance with the prescriptions of recently promulgated local government legislation, regulations and other guidelines. Specifically, the following are relevant to the development of this Performance Management and Development Policy and Framework -

- a) Constitution of the Republic Of South Africa (1996)
- b) White Paper on Local Government (1998) and Batho Pele (1998)
- c) The Local Government: Municipal Structures Act No. 117 of 1998 and its amendments
- d) The Local Government: Municipal Systems Act, No. 32 and its amendments (MSA)
- e) The Local Government: Financial Management Act, No. 56 of 2003 and its amendments (MFMA)
- f) The Local Government: Municipal Planning and Performance Regulations, 2001
- g) The Local Government: Municipal Performance Regulation for Municipal Managers and Managers directly accountable to Municipal Managers, 2006
- h) Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014
- i) Public Administration Management Act 2014 / Gazette No.38374. Government Notice No.1054
- j) Directive as published annually: Performance information public audit act (2007)
- k) MFMA Circulars: (11: Annual Report / 13: SDBIP / 32: Oversight Report)
- l) MFMA Circulars: (42: Funding budget / 54: Municipal budget / 63: Annual Report Update)
- m) National Treasury: 2007 Framework for managing performance information
- n) Gazette 29967, June 2007, MFMA Regulation for Minimum Competency
- o) Gazette 41996, October 2018, Amendment to Regulation for Minimum Competency
- p) Employment Equity Act 1998
- q) Gazette 45181, September 2021, Local Government Municipal Staff Regulations

4. ORGANISATIONAL PERFORMANCE MANAGEMENT

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

Policy on performance and development system

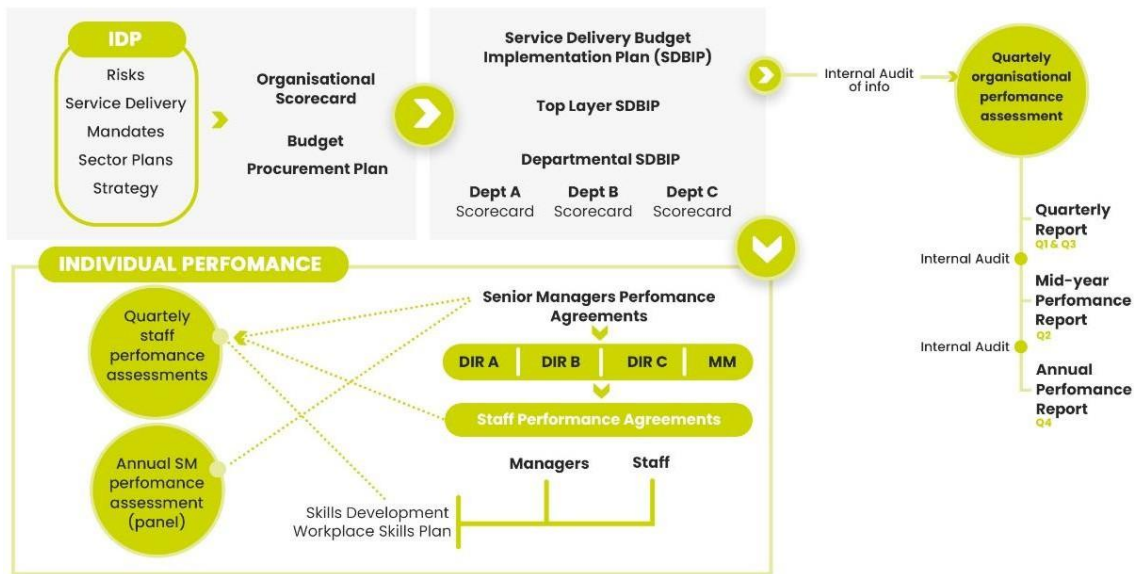


Figure 1: Performance cycles

Performance Cycle

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



Figure 2: Quarterly performance and reporting cycles

Each of the above cycles can be explained as follows:

- Performance Planning ensures that the strategic direction of the municipality more explicitly informs and aligns the IDP with all planning activities and resource decisions. This is the stage where Key Performance Areas (KPA's) and KPI's are designed to address the IDP objectives and targets are set. The planning of the IDP starts with the beginning of the new financial year and the IDP process plan must be submitted to Council by 31 August every year.
- Performance Monitoring is an ongoing process to determine whether performance targets have been met, exceeded or not met. Projections can also be made during the year as to whether the final target and future targets will be met. It occurs during key points in a process. Directors and their managers will monthly monitor the performance of their departments. Quarterly reports on performance information must be submitted to Municipal Public Accounts Committee (MPAC) and Council.

- Performance Evaluation is an analysis of the status of performance, i.e. performance against targets, why there is under-performance (if applicable) or what the factors were, that allowed for good performance in a particular area. Where targets have not been met, the reasons for this must be examined and corrective actions implemented. Evidence to support the status should also be reviewed at this stage. The objective of the review should be based on actual performance and performance evidence.
- Performance Reporting entails regular reporting to management, the Audit and Performance Committee, MPAC, Council and the public in the form of quarterly, bi-annual and annual reports.
- Performance auditing is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to Section 45 of the MSA, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor General of South Africa (AGSA). The municipality have therefore established frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems. Areas of weak performance identified at year-end must be addressed during the following years planning phase.

4.1 Identification and Setting of Key Performance Indicators

The following aspects will be considered when identifying indicators:

- a) Development priorities and objectives set in the IDP;
- b) Available financial resources

The Municipality will set key performance indicators, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objects as contained in its IDP. In setting these key performance indicators, the Municipality will ensure that communities are involved through the ward committee structures. The Municipality will ensure that key performance indicators inform the indicators set for all its administrative units and employees as well as every service provider with whom the Municipality has entered into a service delivery agreement.

4.2 Municipal Scorecard / Top Layer SDBIP

The Municipality implements a municipal scorecard (**Top Layer SDBIP**) at organisational level. The Municipal Scorecard (Top Layer SDBIP) is linked through the departmental SDBIP to all Section 57 Managers and Division Managers. The Municipal Scorecard allocates responsibility to directorates to deliver the services in terms of the IDP and budget and is used to evaluate the overall organisational performance. The SDBIP needs to be prepared as described in the paragraphs below and submitted to the Executive Mayor within 14 days after the budget has been approved. The Executive Mayor needs to approve the SDBIP within 28 days after the budget has been approved.

4.2.1 Components of the top-layer SDBIP

The SDBIP consists of two core components, the Top Layer SDBIP (TL SDBIP) which focuses on the strategy and key reporting requirements and the Departmental/Organisational SDBIP that measures the departmental performance.

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

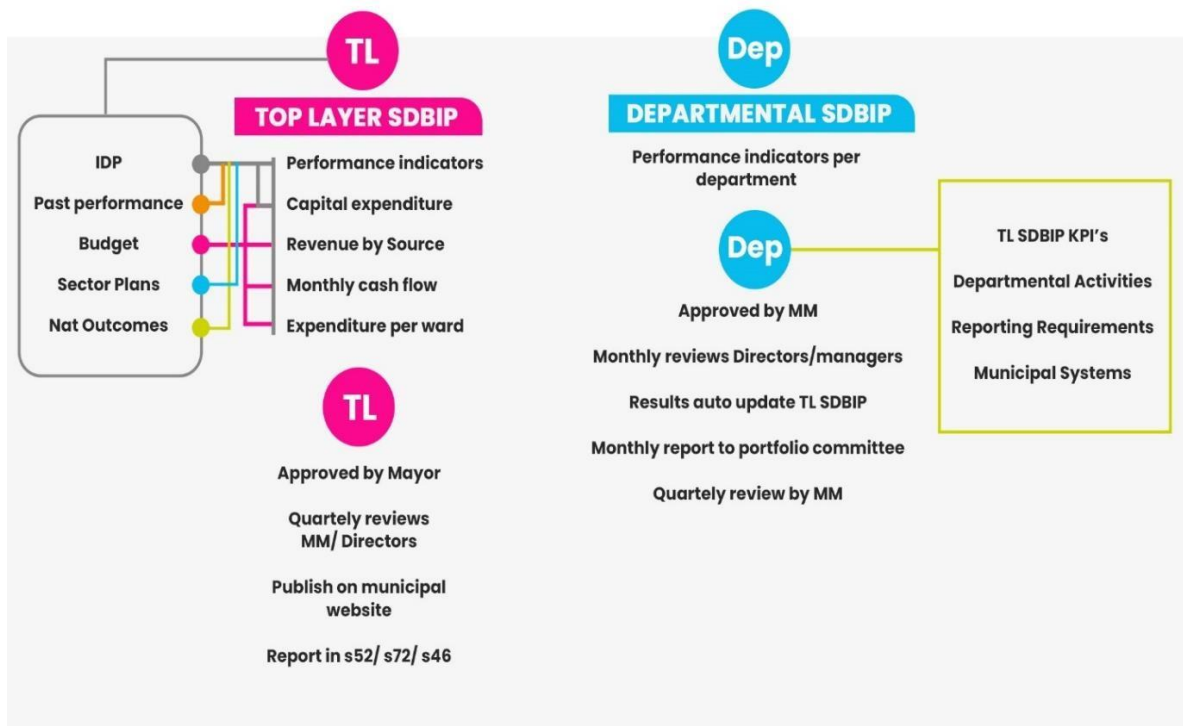


Figure 3: Components of the SDBIP

- Departmental Layer: Directors provide more detail on each output for which they are responsible for and breaks up such outputs into smaller outputs and linking these to middle-level and lower-level management.
- ❖ Top Layer SDBIP
 - The TL SDBIP indicates the responsibilities and outputs for each of the Director in the top management team, the inputs to be used and the time deadlines for each output. The TL SDBIP will therefore determine the performance agreements of the Municipal Manager and Directors, including the outputs and deadlines for which they will be held responsible. The TL SDBIP is also the part of the SDBIP that's made available to the public.

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

The Components of the TL SDBIP includes:

- One-year detailed plan, but should include a three-year capital plan
- The five necessary components includes:
 - Monthly projections of revenue to be collected for each source;
 - Expected revenue to be collected NOT billed
 - Monthly projections of expenditure (operating and capital) and revenue for each vote (Section 71 format) (Cash flow statement);
 - Quarterly projections of service delivery targets and performance indicators for each vote;
 - Non-financial measurable performance objectives in the form of targets and indicators
 - Output NOT input / internal management objectives
 - Level and standard of service being provided to the community;
 - Ward information for expenditure and service delivery; and
 - Detailed capital works plan broken down by ward over three years (Capital project sheet).

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

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

❖ Departmental SDBIP

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

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

Each KPI should have clear monthly targets and should be assigned to the person responsible for the KPI's. KPI targets should be SMART (specific, measurable, achievable, relevant and time-bound). Directors, middle-level and lower-level management managers can use the departmental SDBIP to manage the performance of all the sections of his/her department and can monitor it monthly during the departmental management meeting.

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

4.2.2 System Descriptions

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

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

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

4.2.3 Update of Actual Performance

The SDBIP system that the municipality currently utilises allows for the TL SDBIP to be updated automatically with the actual results reported in the departmental SDBIP. The departmental SDBIP must be updated monthly. The KPI owners should report on the results of each KPI that they are responsible for by properly documenting the information in the performance response fields and either attach or refer to where the proof/POE is filed/kept and/ or provide performance comment. In the instance of poor performance, corrective measures must be identified and documented. The POE should speak to the actual performance achieved and confirm the actual as was updated. The actual performance and POE should be monitored monthly in terms of the objectives, KPI's and targets set.

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

4.2.4 Adjustments to KPI's

TL SDBIP KPI's can be adjusted after the mid-year assessment and with the adjustment budget process. KPI's should be adjusted in line with the adjustment estimate (incl. capital projects) and the reason for the adjustment of the indicator/target, must be specified when the adjusted TL SDBIP is submitted to Council for approval. Adjustments to departmental SDBIP KPI's can be made throughout the year but must be motivated and approved by the Municipal Manager.

4.2.5 Validation

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

- The actual result in terms of the target set;
- The calculation of the actual performance reported, where applicable;
- The reasons if the target was not achieved; and
- Corrective actions to improve the performance against the target set, if the target was not achieved.

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

5 MONITORING AND MEASUREMENT OF ORGANISATIONAL PERFORMANCE MANAGEMENT

5.1 Quarterly Performance Reporting and Performance Reviews

- a) The Municipal Manager collates the information and drafts the organisational performance report, which is submitted to Internal Audit;
- b) The Internal Auditors (IA) must submit quarterly audited reports to the Municipal Manager.
- c) The Municipal Manager submits the report to the MPAC which makes a recommendation to the Municipal Council.
- d) The Municipal Manager tables the quarterly performance report to the Audit and Performance Committee for perusal and comment.

On a quarterly basis, the Executive Mayor and Council should engage in an intensive review of municipal performance against both the directorate's scorecards and the municipal scorecard, as reported by the Municipal Manager.

These reviews will take place as follows:

- a) October (for the period July to end of September)
- b) February (for the period October to the end of December)
- c) April (for the period January to the end of March)
- d) September (for the period April to the end of June).

5.2 Bi-Annual Performance Reporting and Performance Reviews

Section 72 of the MFMA requires the accounting officer to prepare and submit a report on the performance of the Municipality during the first half of the financial year. As with all other reports this is a crucial report for the Council to consider mid-year performance and what adjustments should be made, if necessary.

- a) The Accounting officer must by **25 January of each year** assess the performance of the Municipality and submit a report to the Executive Mayor, National Treasury and the relevant Provincial Treasury.
- b) The Audit Committee must review the PMDS and make recommendations to the Municipal Council;
- c) The Audit Committee must submit a report at least twice during the year a report to the Municipal Council;

The Executive Mayor will need to ensure that targets committed to in the municipal scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the poor performance.

The review should also focus on reviewing the systematic compliance to the Performance Management and Development system, by directorates, departments, Portfolio Councillors and the Municipal Manager.

The review will also include:

- a) An evaluation of the validity and suitability of the Key Performance Indicators and recommending any changes.
- b) An evaluation of the annual and 5-year targets to determine whether the targets are overstated or understated. These changes need to be considered.
- c) Changes to KPI's and 5-year targets for submission to Council for approval. (The reason for this is that the original KPI's and 5-year targets would have been published with the IDP, which would have been approved and adopted by Council at the beginning of the financial year.)
- d) An analysis to determine whether the Municipality is performing adequately or under-performing.

5.3 Annual Performance Reporting and Performance Reviews

Section 46 of the Municipal Systems Act states that a municipality must prepare for each financial year, a performance report that reflects the following:

- a) The performance of the Municipality and of each external service provided during that financial year;
- b) A comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and
- c) Measures to be taken to improve on the performance

At least annually, the Executive Mayor will be required to report to the full council on the overall Municipal Performance. It is proposed that this reporting take place using the municipal scorecard in an annual performance report format as per the Municipal Systems Act. The said annual performance report will form part of the Municipality's Annual Report as per section 121 of the Municipal Finance Management Act.

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

Table 1: Reporting Intervals

5.4 Analysis of Performance Reports and Follow-up

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

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

- Performance reported should indicate continuous improvement over time and should not only be to the benefit of communities and should focus on outcomes and not only on processes;
- The performance results reported should be a true reflection of the results reported in the Performance Management and Development system;
- The results should be effectively communicated so that it is of value to the intended users;
- The quality of performing the function should be balanced with the cost of the performance, also to the consumer and not just to municipality; and
- Promotion of equalities and sustainable growth and development should also be reported on.

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

5.5 Governance

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

5.5.1 Quality Control and Co-ordination

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

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

5.5.2 Performance Investigations

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

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

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Mayor for such investigation.

5.5.3 Internal Audit

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

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

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

The audit should include an assessment of:

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

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

5.5.4 Audit Committee

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

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

According to the Regulations, the Audit and Performance Committee must:

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

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

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

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

5.5.5 Role of the Audit and Performance Committee

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

The performance investigations should assess:

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

5.5.6 Legislative Reporting Process

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

Time frame	MSA/ MFMA Reporting on Performance	Section
Quarterly reporting	The Mayor must within 30 days after the end of each quarter submit a report to council on the implementation of the budget	MFMA S52
	The Internal Auditors must submit quarterly audited reports to the Municipal Manager and to the Audit and Performance Committee	MSA Regulation 14(1)(c)
Mid-year reporting	The Audit and Performance Committee must review the PMDS and make recommendations to council	MSA Regulation 14(4)(a)
	The Audit and Performance Committee must submit a report at least twice during the year a report to Council	MSA Regulation 14(4)(a)
	The municipality must report to Council at least twice a year	MSA Regulation 13(2)(a)
	The Accounting officer must by 25 January of each year assess the performance of the municipality and submit a report to the Mayor, National Treasury and the relevant Provincial Treasury.	MFMA S72
Annual reporting	The annual report of a municipality must include the annual performance report and any recommendations of the municipality's audit committee	MFMA S121 (3)(c)(j) & MSA S46
	The accounting officer of a municipality must submit the performance report to the Auditor-General (AGSA) for auditing within two months after the end of the financial year to which that report relates	MFMA S126 1(a)
	The AGSA must audit the performance report and submit the report to the accounting officer within three months of receipt of the performance report	MFMA S126 (3)(a)(b)
	The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality	MFMA S127(2)
	The AGSA may submit the performance report and audit report of a municipality directly to the municipal council, the National Treasury, the relevant provincial treasury, the MEC responsible for local government in the province and any prescribed organ of the state	MFMA S127 (4)(a)
	Immediately after an annual report is tabled in the council, the accounting officer of the municipality must submit the annual report to the AGSA, the relevant provincial treasury and the provincial department responsible for local government in the province.	MFMA S127 (5)(b)
	The council of the municipality must consider the annual report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing	MFMA S129 (1)

Time frame	MSA/ MFMA Reporting on Performance	Section
	council's comments on the annual report	
	The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organ of the state	MFMA S130 (1)
	The Cabinet member responsible for local government must annually report to Parliament on actions taken by the MECs for local government to address issues raised by the AGSA	MFMA S134

Table 2: Legislative Requirements Regarding Reporting Processes

5.5.7 Summary of Municipal Performance Cycle

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

Top – Layer SDBIP

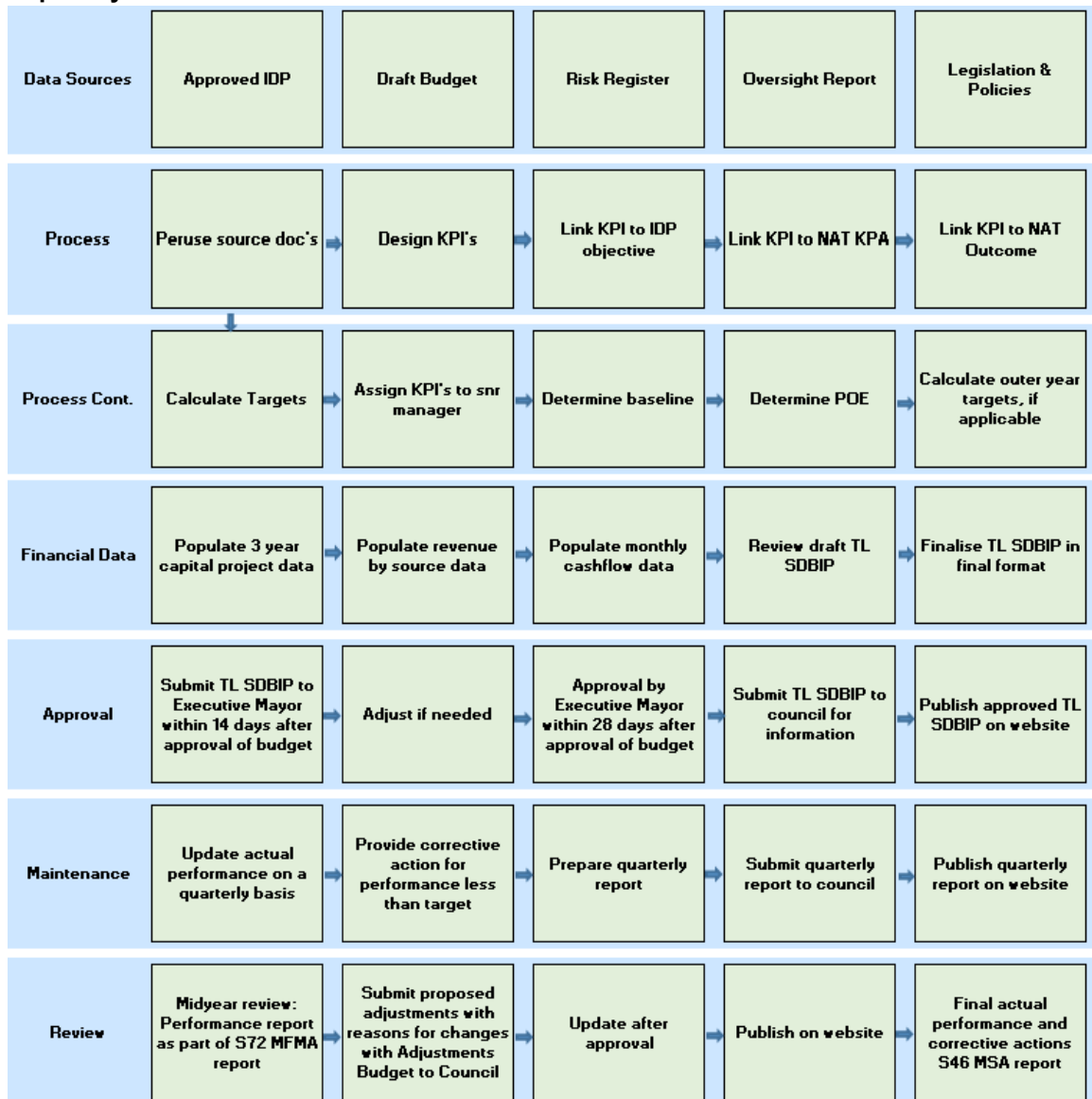


Figure 5: TL SDBIP Process Map

Departmental SDBIP

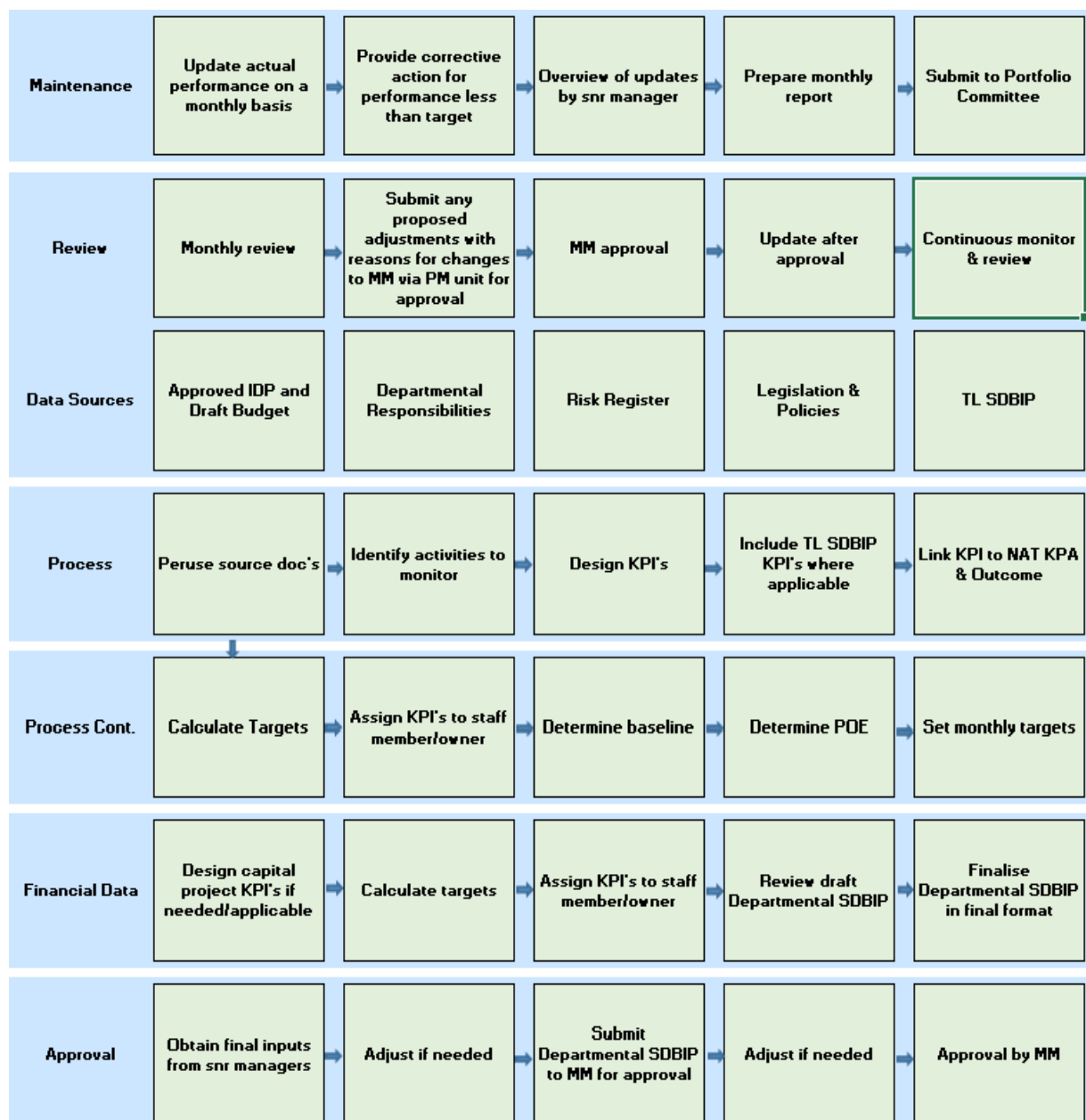


Figure 6: Departmental SDBIP Process Map

6. INDIVIDUAL PERFORMANCE MANAGEMENT

The performance of a Municipality is integrally linked to that of employees it is therefore important to link organisational performance to individual performance and to manage both at the same time, but separately. Although legislation requires that the Municipal Manager, and Managers directly accountable to the Municipal Manager, sign formal performance contracts, it is also a requirement that all employees have performance agreements.

The following diagram illustrates the individual performance management process:

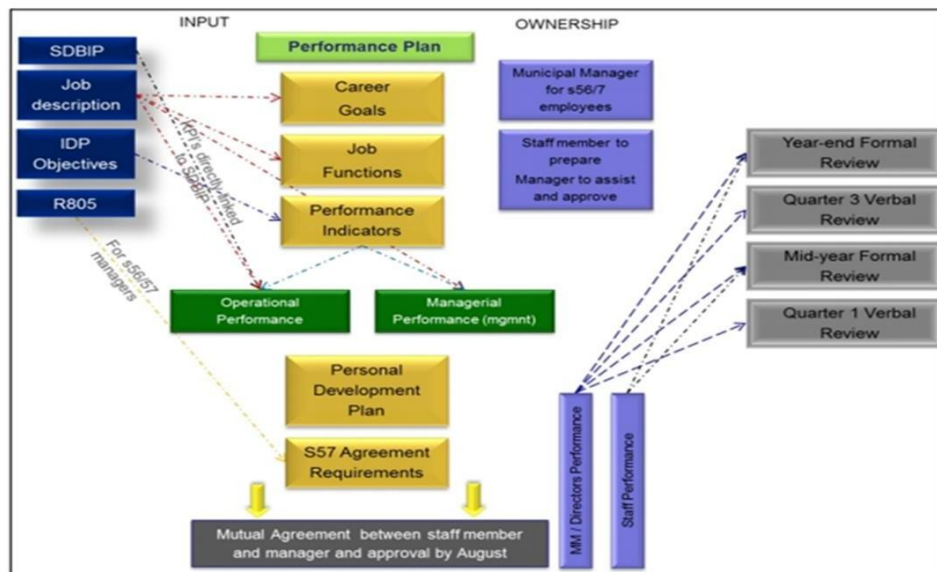


Diagram 1: Individual Performance Management process

Employees are the most valuable resource in providing efficient and effective services to the public. Therefore, it is important that all employees understand their job functions and what is expected of them. Each employee will be given an opportunity to discuss and review their performance together with their relevant supervisor/ line-manager to address any developmental needs that might be identified during the performance cycle.

The employer plans to regularly monitor, measure and review performance of its employees to ensure that it delivers on its objectives, take corrective action when required and reward outstanding performance. The Performance development system provides supervisors with effective tools to evaluate their employee's work performance and to assist employees improve their performance.

The performance management and development system apply to all employees of the Mossel Bay Municipality except employees-

- a) appointed on a fixed term contract with a duration of less than 12 months;
- b) serving notice —
 - (i) of termination of his or her contract of employment; or
 - (ii) to retire on reaching the statutory retirement age;
- c) appointed on an internship programme or participating in the national public works programme or any similar scheme; and
- d) appointed in terms of sections 54A and 56 of the Act.

To ensure that performance is measured correctly for all employees the supervisor/ line-manager must ensure that the performance agreements/ plans are aligned with the individual performance plan of the head of the directorate and the employees job description. All employees will be subjected to 2 formal performance evaluations and regular informal performance evaluations to ensure optimal performance.

The following process map summarises the key individual processes that should be read with the section dealing with individual performance.

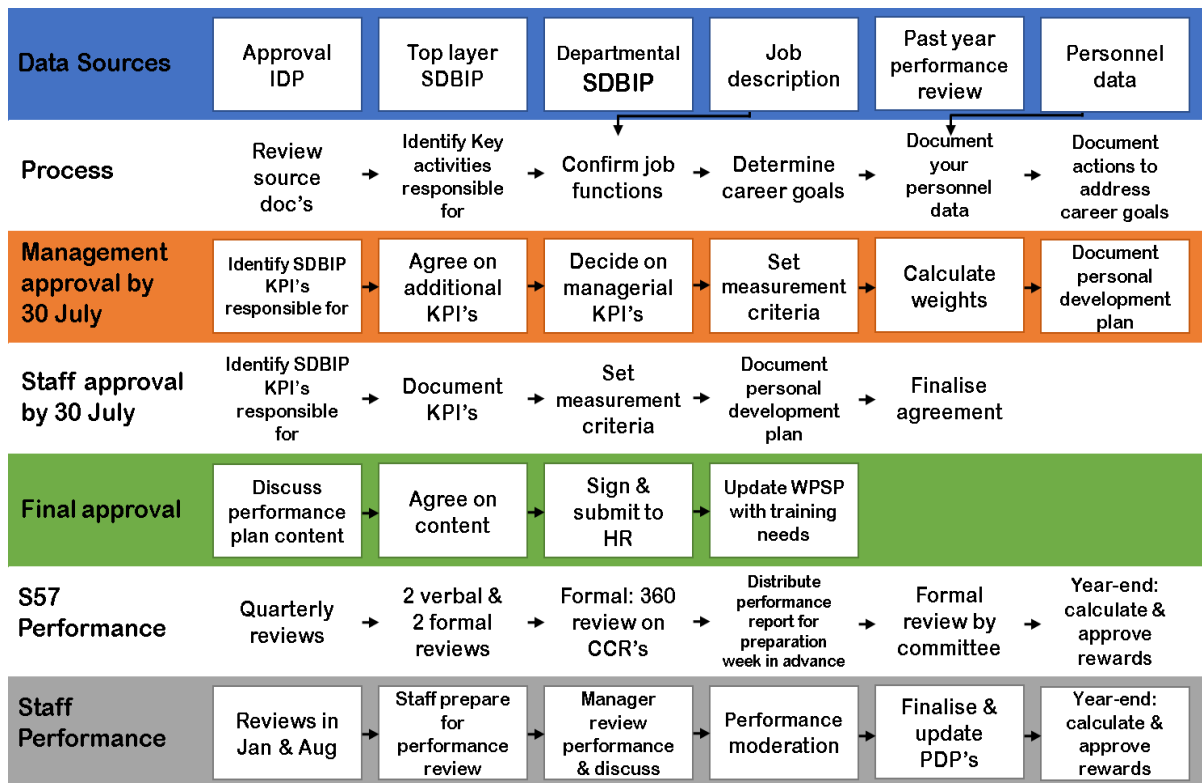


Figure 4: Individual Performance Process Map

5.6 Performance Management Principles

- 5.6.1 The performance management of employees shall be collaborative, transparent and fair.
- 5.6.2 The Performance Management and Development system shall, where reasonably practicable link to–
- 5.6.2.1 the Municipality's strategic objectives and Integrated Development Plan, the SDBIP of the relevant Municipal department and the senior manager's performance plan; and
 - 5.6.2.2 the senior manager's performance agreement and the performance agreements of the employees falling under that senior manager's department.
- 5.6.3 The Performance Management and Development system shall be developmental, while allowing for–
- 5.6.3.1 an effective response to substandard performance; and
 - 5.6.3.2 recognition of outstanding performance.
- 5.6.4 The Performance Management and Development system shall be integrated with other human resource policies and practices of the Municipality.
- 5.6.5 The Performance Management and Development system shall promote productivity and optimise skills development targets.
- 5.6.6 The Performance Management and Development system shall ensure that realistic and achievable outputs are set for employees.

5.7 The Objectives of the Performance Management and Development System in terms of Individual Performance Management:

The objectives of the performance management development system are to-

- a. promote the objectives and developmental duties of local government, as set out in sections 152 and 153 of the Constitution;
- b. promote a culture of service to the public, accountability, mutual co- operation and assistance amongst employees;

- c. institutionalise performance planning, monitoring and evaluation in the municipality;
- d. maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents by aligning municipal-wide, departmental and individual performance;
- e. build a common understanding among employees of the municipality's objectives as contained in its integrated development plan and annual performance plan;
- f. set clear performance indicators and performance targets by communicating to employees how their roles contribute to the success of the municipality;
- g. build individual capability, skills and competencies that are key to the municipality achieving its mandate and objectives and encourage commitment among employees;
- h. create an enabling environment to plan, monitor and measure performance against set targets or outputs;
- i. encourage desired behaviours as articulated in the Code of Conduct for Municipal Staff Members, as contained in Schedule 2 of the Act;
- j. identify and improve substandard performance of employees; and
- k. recognise performance of employees that have achieved a rating of performance significantly above expectations and outstanding performance.

6.3. Individual Scorecards (Municipal Manager and Section 56/57 Managers)

The Local Government Municipal Systems Act 2000 and Regulation 805 of August 2006 (***Performance of the Municipal Manager and the Managers reporting directly to the Municipal Manager***) require the Municipal Manager and the Managers reporting directly to the Municipal Manager to enter into annual Performance Agreements. The Performance Agreements of the Municipal Manager and other Section 56/57 Managers should be directly linked to their employment contract. These Performance Agreements consist of three distinct parts:

- a) **Performance Agreement:** This is an agreement between the Section 56/57 Manager and the Municipality, which regulates the performance required for a particular position and the consequences of the performance. The Agreement deals with only one aspect of the employment relationship, namely performance. This agreement must be reviewed and renewed annually, subject to the individual's annual performance.
- b) **Performance Plan:** The Performance Plan is an Annexure to the Performance Agreement and stipulates in detail the performance requirements for a single financial year. The SDBIP transcends into the Performance Plan/s of the respective Section 56/57 Managers according to their areas of responsibility.
- c) **Personal Development Plan:** The plan is an Annexure to the Performance Agreement and addresses the developmental needs/requirements of the Manager indicating actions and timeframes.

Performance will be reviewed regularly of which the mid-year and year-end performance will be formal evaluations.

6.4 Other Employees (Excluding the Municipal Manager and Section 56/57 Managers)

An employee shall enter into a performance agreement with his or her direct supervisor/line manager for each financial year (1 July - 30 June).

6.4.1 Performance Agreement/Plan

6.4.1.1 The agreements of serving employees must be concluded by 30 July each year within 30 days

of the commencement of the new financial year of the municipality.

6.4.1.2 The performance agreements of other employees must be concluded within 60 days of—

- (i) his or her appointment after probation as from 1 July of the new financial year;
- (ii) his or her transfer or promotion to a new post; or
- (iii) his or her return from prolonged leave that is more than three months.

6.4.1.3 The performance agreement shall be agreed for all employees in this category based on the job functions and include the following –

- (i) the name, job title and the department of the employee
- (ii) the objectives or targets;
- (iii) the KPAs, their weightings and the target date for meeting the KPA
- (iv) the KPI's and the performance standard for each KPI
- (v) the name and definition of the job specific competencies, their weightings and the expected level of capability for each competency;
- (vi) a personal development plan prepared in compliance with Section 50, Chapter 5 of the Municipal Staff Regulations (Gazette no. 45181); and
- (vii) the process of monitoring and assessing performance, including the planned dates of assessment.

6.4.2 Components of a performance agreement/ plan

The criteria upon which the performance of all employees must be assessed consist of two components namely KPAs and job specific competencies. Employee's performance must be assessed against both components. KPAs covering the main areas of the work will account for 80% of the weight while the job specific competencies will constitute 20% of the overall assessment result as per the weightings agreed in terms of the performance agreement.

6.4.2.1 Key Performance Area (KPA)

- a) The KPAs relates to the employee's functional area and must consist of not less than 5 and not more than 7 KPAs.
- b) The supervisor and employee must ensure that performance management is aligned to the employees' job and KPA's relevant to the post that the employee holds.
- c) The KPA weighting demonstrates the relative weight of each KPA.
 - (i) The weightings need to be determined by the relevant supervisor/ manager and agreed with the employee(s)/ team
 - (ii) The KPA weightings show the relative importance of the KPAs
- d) The KPIs and the performance standard for each KPI;
 - The KPIs—
 - (i) include the input, quality or impact of an output by which performance in respect of a KPA is measured; and
 - (ii) must be measurable and verifiable.
- e) The performance standard for each KPI may be qualitative or quantitative.
- f) The planned KPAs, KPIs and targets as contained in the performance agreement must meet the SMART criteria as outlined in the table below—

S	Specific, clear and understandable.
M	Measurable in terms of quantity, and, if possible, quality, money, and time. It must be possible to determine whether the activity took place and to decide how well it was done.
A	Attainable in that the activities to be performed have been agreed upon and must be within the capabilities and under control of the staff member.

R	Relevant in that each task should be related directly to the functional areas or specific projects assigned to the staff member.
T	Time-based in that the supervisor and staff member should be able to track progress against specified target dates and timeframes and assessment can take place within the annual reporting cycle of the performance agreement.

6.4.2.2 Competencies

- a) The job specific competencies, as derived from Annexure A of the Municipal Staff Regulations (Gazette no. 45181), must include-
 - (i) the name and definition of the specific competency;
 - (ii) the expected level of capability;
 - (iii) the relevant weightings;
- b) The competencies must be specific and applicable to the job of the employee and should not exceed six (6) competencies within a performance cycle.

6.4.3 Amendments to The Performance Agreement/Plan

- a) If at any time during the performance cycle the responsibilities of the employee changes to the extent that the performance plan in the performance agreement is no longer appropriate, the parties shall revise the performance agreement. Amendments made to performance agreements/ plans must be signed and dated by both the employee and the employer. Performance can only be assessed on mutually agreed indicators and targets.
- b) If an employee is required to act in a post for a period that exceeds three months, the supervisor to whom the acting employee is reporting, must review the KPAs and KPIs in consultation with the acting employee, and include the KPAs and KPIs in the employees amended performance agreement.

6.4.4 Personal Development Plan (PDP)

- a) Every employee must have a personal development plan that identifies and addresses employees' developmental needs that were identified during the performance review or assessment.
- b) The personal development plan should contain the actions and timeframes agreed to by the relevant supervisor and employee.
- c) An employee may only undergo training that is –
 - (i) contained in personal development plan or
 - (ii) approved by the municipal manager or his/her delegate

6.4.5 Team-Based Performance

- a) The employer shall establish a system for performance management and development for teams or an occupational stream below the level of a supervisor that will assist in deciding on rewards and skills development of an employee, which is consistent with the principles under clause
- b) Before implementing the team-based performance management and development system the employer will –
 - (i) pilot the system on a team of employees in all affected occupational streams; and
 - (ii) consult the system with recognised trade unions within the Local Labour Forum

6.5 Coaching, Mentoring and Training

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

in instances where underperformance was identified.

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

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

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

6.6 Performance Assessment

The supervisor or line manager must discuss the employees' performance with him/ her on a regular basis and should give constructive feedback to ensure that performance standards are being upheld. The feedback should be given verbally and recorded in writing to serve as evidence that performance discussion took place between supervisor/ line-manager and employees.

Assessments are done formally on a bi-annual basis and should be concluded on the automated Performance Management and Development system as follows.

Mid- year Performance Evaluation (1 July- 31 December)	: Due 31 January annually
Annual Performance Evaluation (1 July – 30 June)	: Due 29 August annually

6.6.1 Process flow for performance assessments

- (i) The first step in the assessment allows for self-evaluation by the employee. Employees that do not have access to computers at the workplace must be provided with a hardcopy of their performance development plans to facilitate the process of manual assessment. The signed self-assessment must be submitted to the respective supervisor for capturing on the automated Performance Management and Development system.
- (ii) The second step in the assessment is the official rating of performance by the relevant Supervisor / Manager or Director. The outcome of the assessment should be discussed between the Employee/ Supervisor / Manager or Director in order to clarify gaps between the self- assessment and the rating scored.
- (iii) The third step in the assessment constitutes the moderation of performance outcomes to ensure objectivity and fairness in the application of scores throughout the organisation.
- (iv) The final step in the assessment process is rewarding performance and dealing with substandard performance where applicable.

6.6.2 Performance Evaluation

6.6.2.1 The performance appraisal shall involve –

- a) An assessment of the extent to which the employee achieved the performance objectives and targets as outlined in the performance plan, which involves the following:
 - (i) each KPA assessed to determine the extent to which the specified standards or KPI have been met, with due regard to ad hoc tasks that had to be performed under that KPA;
 - (ii) an indicative rating on the prescribed five-point scale for each KPA; and

- (iii) the rating assigned to each KPA multiplied by the weighting given to that KPA to provide a weighted score for that KPA.
- b) An assessment of the extent to which the employee achieved the job specific competencies outlined in the performance plan, which involves the following:
 - (i) each competency assessed to determine the extent to which the specified standards have been met;
 - (ii) an indicative rating on the prescribed five-point scale provided for each job specific competency;
 - (iii) the rating assigned to each job specific competency is multiplied by the weighting given to that competency to provide a score for that competency; and
 - (iv) the assessment rating calculator is used to add the scores and calculate a final competency score, based upon the weightings allocated to the job specific competencies;
- 6.6.2.2 The mid-year performance evaluations must occur within one month after the end of the mid-year performance cycle.
- 6.6.2.3 The mid-year performance review will be based on the existing performance agreement.
- 6.6.2.4 A record of the amendments must be kept for purposes of annual performance assessment.
- 6.6.2.5 The annual performance assessment must be recorded and co-signed by the supervisor and employee.
- 6.6.2.6 The annual performance evaluations must occur within 60 days after the end of performance cycle.
- 6.6.2.7 The details of the performance evaluation must be in writing clearly outlining the employee career development needs.
- 6.6.2.8 Personal growth and career development needs identified during the performance assessment and all actions and timeframes agreed to must be recorded in the employee's personal development plan in compliance with Section 50, Chapter 5 of the Municipal Staff Regulations (Gazette no. 45181).
- 6.6.2.9 The performance of individual employees will be evaluated based on two components, being the KPA and the job specific competencies. KPAs will account for 80% and the job specific competencies will account for 20% of the final score.
- 6.6.2.10 An overall rating in accordance with the prescribed assessment rating calculator is calculated as a summary of the outcome of the performance appraisal by using the weighting ratio of 80:20.

6.7 Performance Moderation

The moderation committee shall review and moderate the overall performance ratings for employees determined after the annual performance evaluation process. The moderation process will be conducted in 3 levels within a reasonable timeframe after the end of the financial year, but no later than six months after the financial year to ensure that the final individual performance ratings are fair across the employees and aligned to the Municipality as a whole.

6.7.1 Moderation at Divisional Level

At this level the moderation panel consist of:

- a) the respective Division Manager, who must act as chairperson
- b) all officials in a supervisory capacity that reports directly to the Division Manager.
- c) a Senior representative from Human Resource Department
- d) One representative from the Performance Management Unit

Moderation of performance results at this level presents an opportunity to the Supervisor to clarify and substantiate the performance rating scored to subordinates in instances where parties are in disagreement. This process will also capacitate supervisors and broaden their knowledge and understanding with regards to performance evaluation process. It will also be expected from supervisors

to engage with subordinates in instances where the committee suggest changes in performance ratings due to the performance assessment by the employee and the supervisor not conforming to performance norms and standards or where there is a lack of evidence to support the performance rating. The performance rating will be reassessed by the relevant supervisor in consultation with the affected employee. On completion of the moderation at this level, the performance assessment outcome of the relevant

Division will be endorsed by the relevant Division Manager for submission to the Departmental Moderation Committee for further moderation.

6.7.2 Departmental (Directorate) Moderation Committee

The departmental performance moderation committees are established by the municipal manager and convenes annually.

At this level the moderation panel consist of:

- a) the relevant Director/ Municipal Manager, who must act as chairpersons in the committees
- b) all Division managers directly accountable to the Director/ Municipal Manager, who must be recused from the committee before their assessments are considered by the committee
- c) Senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services
- d) One representative from the Performance Management Unit

Moderation of performance results at this level presents an opportunity to the Division Manager to clarify and substantiate the performance rating scored to subordinates. If the departmental moderation committee has reason to believe that any performance assessment by the supervisor does not conform to performance norms and standards or that there is a lack of evidence or information to support the performance ratings, the departmental moderation committee may not reassess, amend or adjust the performance ratings of a employee, but may refer the assessment back to the relevant supervisor for reassessment in consultation with the affected employee. On completion of the moderation at this level, the performance assessment outcome of the relevant directorate will be endorsed by the relevant director for submission to the Municipal Moderation Committee for final moderation.

6.7.3 Municipal Moderation Committee

This committee must be duly constituted by the municipal council and will consist of:

- a) the Municipal Manager or his/ her delegated authority who will act as chairperson
- b) all Directors or their representatives
- c) The Senior Manager Human Resources
- d) One representative from the Performance Management Unit, where applicable
- e) Manager responsible for Institutional Performance Management
- f) Official responsible for Internal Audit

Moderation of performance results at this level presents an opportunity to Directors to clarify and substantiate the performance rating scored to subordinates. The Municipal Manager will review the individual performance outcomes of all municipal employees in conjunction with Directors and the rest of the committee and may effect changes to individual performance outcomes. This process should be finalised by 31 December each year. At this level the municipal moderation committee must determine the percentages for the merit-based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act.

On completion of the moderation at this level, the performance assessment outcome of the entire workforce will be endorsed by the Municipal Performance Moderation Committee. Changes to individual performance assessment outcomes proposed at this level will be regarded as final and will be effected on the automated Performance Management and Development system.

6.8 Assessment Appeal Panel Committee

The Assessment Appeal Panel will convene in an event where an employee disagrees over performance ratings.

The Assessment Appeal Panel will consist of: Relevant Head of Directorate, Head of Division as expertise of the line function, Performance Management specialist, Senior Manager Human Resources Management or his representative.

The Panel will consider written representations of an employee. The scores of employees who qualifies for performance rewards after the Assessment Appeals Panel Committee will be referred to the Municipal Moderation Committee for consideration in terms of the approved Reward and Recognition Policy.

In the event of any remaining disagreement over the performance assessment of an employee, the employee may follow the formal grievance rules.

6.9 Communication of final outcomes of performance assessments

The final outcome performance assessments should be communicated downwards to each municipal employee by Directors / Division Managers and Supervisors by 31 January each year. This feedback is important to gain employee confidence and to ensure transparency. It will also give employees an opportunity to lodge a dispute in order to request a review of his/her performance assessment.

The performance management unit will only be responsible to officially communicate the performance assessment outcomes to those employees who are eligible to receive a performance reward in terms of the reward and recognition policy.

6.10 Performance Rewards

6.10.1 Performance related rewards are at the discretion of the Municipality and may be awarded to an employee-

- a) who has served the full assessment period of 12 months on 30 June of each financial year of a municipality;
- b) transferred or seconded horizontally during the performance cycle within the municipality;
- c) who is on uninterrupted approved leave for 3 months or longer;
- d) who is on approved maternity leave for more than 3 months; and
- e) who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results.

6.10.2 Performance related rewards may not be awarded to an employee—

- a) appointed after 1 July of that performance cycle;
- b) who is serving probation as stipulated in regulation 23;
- c) whose performance period is less than 12 months;
- d) whose employment is for a fixed term duration of less than 12 months; or
- e) whose post was upgraded without a change in performance agreement.

Performance will be rewarded in accordance to the approved Reward and Recognition Policy.

6.11 Disputes About Performance Agreements and Ratings

6.11.1 Section 56/57 Employees

The Appeals process as prescribed in R805 of August 2006 and as agreed in the employment and performance contracts of the Section 56/57-Managers will be applicable in instances where they are not

in agreement with their final performance evaluations.

6.11.2 Other Employees (Excluding Section 56/57 employees)

6.11.2.1 Any dispute about performance objectives or targets must be mediated by the relevant head of department or directorate of the employee to whom this function is delegated. If the dispute is not resolved to the employee's satisfaction, the employee may lodge a grievance in terms of the applicable procedures.

6.11.2.2 Any dispute relating to the conclusion of the performance agreement or an amendment to the performance agreement, must be referred to the head of the relevant department or directorate not later than five days of lodging the grievance in terms of the applicable procedures.

6.11.2.3 A dispute contemplated in paragraph 6.11.2.2 must be resolved within one month of receipt of the dispute by the head of the division, after—

- a) considering the representation from the employee concerned and his or her supervisor; and
- b) consultation with the head of human resources.

6.11.2.4 An employee who is not satisfied with the outcome of the procedure may lodge a dispute in terms of the dispute resolution mechanisms of the bargaining council.

7. CONCLUSION

The Municipal performance is based on how well its employees perform and therefore each employee must take ownership of their performance. The continuous development of employees is imperative to ensure that there is growth and that employees are more effective and efficient and contribute towards the achievement of the municipal strategic goals and objectives. Performance management is not a process that should be done in isolation but should be the collective effort of all within the municipality.

The Performance Management and Development Policy and Framework should be read in conjunction with the Education, Training and Development Policy where PDP's are thoroughly discussed.

8. APPENDICES

Appendix 1: Roles and Responsibilities

Appendix 2: Performance rating scale

Appendix 3: Portfolio of Evidence (POE)

Appendix 4: Substandard Performance

Appendix 5: Performance Management Calendar

APPENDIX 1: ROLES AND RESPONSIBILITIES

ROLE PLAYER	ROLES AND RESPONSIBILITIES
Local Community	<p>The Municipal Systems Act (Sections 45 & 46) and the Municipal Planning and Performance Management Regulations (No. R796 of 2001, Section 14) make explicit provision for the involvement of the local community in the performance management process. Section 42 of the MSA states that the Municipality:</p> <ul style="list-style-type: none"> a) "...must involve the local community in the development, implementation, and review of the Municipality's Performance Management and Development system, and in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the Municipality'; b) because the intention of the Performance Management and Development system is to ensure the practical implementation of the IDP, it is suggested that it would be appropriate that the Local IDP Structures/ Representative Forums and Ward Committee Structures be utilised to facilitate the involvement of the local community in the performance planning and performance review processes; and c) the community and stakeholders of the Municipality will be engaged in a number of ways as defined in the Municipality's Communication Policy:
Municipal Council	<p>The Municipal Council adopts and approves the following:</p> <ul style="list-style-type: none"> a) a process to guide the planning, drafting, adoption and review of the IDP; b) the IDP including organisational indicators and targets; c) changes to the IDP, organisational indicators and target; d) the Organisational Performance Management and Development system (PMDS); e) performance monitoring, review and oversight mechanisms and structures; f) adopts Performance Management and Development Policy and Framework and system; g) approval of performance bonuses of section 57 Managers
Executive Mayor	<p>The functions performed by the Executive Mayor includes however not limited to the following:</p> <ul style="list-style-type: none"> a) identifies, reviews and evaluates the municipalities needs in order of priority; b) recommend to the Council strategies, projects and services to address priorities through the IDP; c) responsible for the management of the Performance Management and Development system and submits to the Municipal Council for adoption; d) draft performance agreement, including measurable key performance indicators and targets for the Municipal Manager; e) formal quarterly performance evaluation of the Municipal Manager f) ensures the performance agreements of section 57

	<p>employees are made public;</p> <p>g) approves the organisational SDBIP and the municipality projects as per the IDP; and</p> <p>h) presents the Annual Report to the Municipal Council.</p>
Municipal Manager	<p>The functions performed by the Municipal Manager includes however not limited to the following:</p> <p>a) providing strategic direction and developing strategies and policies for the organisation;</p> <p>b) manage the development and implementation of the IDP;</p> <p>c) development of the Performance Management and Development system; Identify indicators and set targets;</p> <p>d) submission of the draft SDBIP to the Executive Mayor;</p> <p>e) manage the implementation of the IDP and Performance Management and Development system;</p> <p>f) draft performance agreements, including measurable key performance indicators and targets for Section 57 employees and performance development plans for lower level employees;</p> <p>g) monitor the implementation of IDP and Performance Management and Development system, identifying risks early;</p> <p>h) formal quarterly performance evaluation of the Section 57 Managers (Directors)</p> <p>i) ensure that regular monitoring measurement, analysis performance information and ensure performance reporting is done in terms of legislation;</p> <p>j) propose response strategies to the Mayor and/or the Municipal Council; and</p> <p>k) co-ordinate the compilation of the Annual Report.</p>
Section 57 Managers / Directors	<p>a) Assisting in providing strategic direction and developing strategies and policies for the organisation;</p> <p>b) Assist the Municipal Manager with the development and implementation of the IDP;</p> <p>c) Ensure that performance agreements are inclusive and that mandatory KPI's are included as per legislative requirements;</p> <p>d) Ensure that performance information complies with the SMART principles and audit standards of the Auditor General;</p> <p>e) Ensure that accurate, reliable and evidenced performance results are provided for performance measures on a quarterly basis;</p> <p>f) Ensures that evidence to support the performance achievements is collected, stored and submitted for internal and external audit purposes.</p> <p>g) Draft performance agreements, including measurable key performance indicators and targets for immediate subordinates (Division Managers) and performance development plans for lower level employees where applicable;</p> <p>h) Formal bi-annual performance evaluation of immediate subordinates (Division Managers) lower level employees where applicable;</p>
Division Managers	<p>a) Ensure that performance agreements are inclusive;</p> <p>b) Ensure that performance information complies with the SMART principles and audit standards of the Auditor General;</p> <p>c) Ensure that accurate, reliable and evidence-based performance results are provided to the relevant director for performance measurement on a quarterly basis;</p> <p>d) Ensures that evidence to support the performance achievements is collected, stored and submitted for internal and external audit purposes.</p>

	<ul style="list-style-type: none"> e) Draft performance agreements, including measurable key performance indicators and targets for immediate subordinates and performance development plans for lower level employees where applicable; f) Formal bi-annual performance evaluation of all employees within the department.
Performance Management Unit / Performance Management Officer	<ul style="list-style-type: none"> a) The delegated PMDS Officer are required to co-ordinate and ensure good quality of performance reporting and reviews on an ongoing basis; b) It is this Officer's role to ensure conformity to reporting formats and verify the reliability of reported information, where possible; (Pre-Audit of performance information) and c) The Municipal Manager must review overall performance quarterly while the PMDS Officer should support him/her in verifying the performance data and prepare the quarterly organisational performance reports for submission to the audit and performance committee. d) Render municipal wide support with updating and correcting of performance information on web- based PMDS system. e) Render municipal wide support and assistance with the drafting of individual performance agreements and performance development plans including the development of measurable individual key performance indicators and targets.
Internal audit	<ul style="list-style-type: none"> a) Must on a quarterly basis audit the performance measurement of the Municipality; and b) Must submit quarterly reports on their audits to the Municipal Manager and the Audit Committee
Audit Committee	<p>The Municipal Systems Act (Sections 45 & 46) and the Municipal Planning and Performance Management Regulations (No. R 796 of 2001, Section 14) provide clear guidelines on the formal monitoring, audit and reporting of performance of the Municipality. In terms of Regulation 14 (4) (a)the Audit Committee must:</p> <ul style="list-style-type: none"> a) Review the quarterly reports compiled by the internal auditor; b) Review the PMDS of the Municipality and report to the Council in this regard; and c) Submit an audit report to Council at least twice a year.
Employer	<p>The Employer shall –</p> <ul style="list-style-type: none"> a) create an enabling environment to facilitate effective performance by employees b) within the available resources, provide access to skills development and capacity building opportunities c) work with employees to solve problems and generate solutions to common problems that may impact on the performance of the employee d) on the request of the employee delegate such powers reasonably required by the employee to enable him or her to meet the performance objectives and targets established in terms of the performance agreement; and

	<ul style="list-style-type: none"> e) within the available resources of the employer, make available to the employee such resources as that employee may reasonably require from time to time to assist the employee to meet the performance objectives and targets established in terms of the performance agreement; and f) consult the employee timeously where the exercising of the powers will have, amongst others— <ul style="list-style-type: none"> (i) a direct effect on the performance of any of the employee's functions (ii) commit the employee to implement or to give effect to a decision made by the employer; and (iii) a substantial financial effect on the Municipality.
Supervisor	<p>A supervisor shall ensure that –</p> <ul style="list-style-type: none"> a) the annual performance plans key performance indicators with regard to the Municipality's development priorities and objectives are – <ul style="list-style-type: none"> (i) linked to each department's objectives; and (ii) the KPAs in the performance agreements of the employee b) the KPAs of employees in a department serve to achieve all the departments objectives c) performance standards are specific, measurable, attainable, relevant, linked to specific time periods and in line with the ability of the employee d) an employee signs a performance agreement as prescribed or as determined in accordance with the grievance procedure e) he or she monitors progress and measure performance of employees f) he/she performs quality assurance on the performance relate evidence g) he or she provides regular constructive feedback to the employee; and h) he or she is available to support the employee through the performance period.
Manager responsible for human resources or the employee (s) to whom this responsibility is delegated	<p>The manager responsible for human resources or the employee (s) to whom this responsibility is delegated shall –</p> <ul style="list-style-type: none"> a) provide support to the annual performance management process b) provide guidelines on how to set KPAs and KPIs and their related targets c) communicate to all employees the performance calendar for the forthcoming financial year d) facilitate training on performance management for new and existing employees e) provide guidance on setting development plans f) consolidate the results of the performance management process and ensure that the identified development needs are incorporated into the annual training and development plan

	<ul style="list-style-type: none"> g) prepare reports on performance ratings and expenditure for consideration by the Municipal Council or a duly appointed Committee of the Council; and h) communicate the performance assessment outcomes
Employee	<p>An employee shall –</p> <ul style="list-style-type: none"> a) participate in setting his or her annual KPAs and KPIs b) enter into a performance agreement annually with the Municipality c) remain committed to the KPAs and KPIs throughout the performance period and be accountable for his or her performance d) take responsibility for his or her personal development and learning opportunities e) where applicable, maintain a portfolio of evidence if required f) Ensure that the portfolio of evidence is relevant and up to date g) actively seek out and be open to feedback; and h) understand what is expected of him or her.
Departmental moderation committee	<p>The purpose of the departmental performance moderation committee is to—</p> <ul style="list-style-type: none"> a) conduct moderation of annual employee performance results in order to ensure that the norms and standards for performance management and development systems are applied in a fair, realistic and consistent manner across the department; b) assess and compare the performance and contribution of each employee with his or her peers towards the achievement of departmental goals; c) ensure fairness, consistency and objectivity with regard to dispersal of performance recognition and ratings achieved for a common understanding amongst supervisors of the performance standards required at each level of the performance rating scale; d) determine the cost implications for recognition of performance of all employees within the department; e) recommend the moderated performance scores for all employees to the municipal moderating committee for approval; f) ensure that performance rewards are based on affordability; g) consider the impact of the performance assessments on financial rewards and options for various forms of recognition; h) recommend performance rewards as well as remedial actions for performance considered to be below effective performance; and i) ensure that the integrity of the performance management and development system is protected.
Municipal Moderation Committee	<p>The purpose of the municipal moderation committee is to—</p> <ul style="list-style-type: none"> a) provide oversight over the performance management and development system to ensure the performance management process is valid, fair and objective;

	<ul style="list-style-type: none"> b) moderate the overall performance assessment score for employees determined after the departmental moderation processes; c) ensure that the final individual performance ratings are fair across each grade and department or directorate; d) ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the employees job description or directorate before any recognition of performance is considered; e) determine the percentages for the merit based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act; f) recommend appropriate recognitions for different levels of performance; g) recommend appropriate remedial actions for performance believed to be substandard; h) advise the municipality on recognition of performance, including financial and non-financial rewards, where applicable; i) identify potential challenges in the performance management system and recommend appropriate solutions to the municipal manager; j) identify developmental needs for supervisors to improve the integrity of the performance management and development system; and k) consider any other matter that may be considered relevant.
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APPENDIX 2: PERFORMANCE RATING SCALE

Level	Terminology	Description
5	Outstanding 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 Performance Agreement 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	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
2	Performance not fully 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 Performance Agreement and Performance Plan.

1	Unacceptable performance	Performance does not meet the standards 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 Performance Agreement 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.
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APPENDIX 3: PORTFOLIO OF EVIDENCE (POE)

ACTIVITY	DESCRIPTION
Determining the source evidence	<p>There are no correct set of documents that can be used to substantiate performance. The evidence will be determined by the nature of the work. The source document used must prove the achievement of the actual performance result reported.</p> <p>When considering evidence to substantiate performance the following guidelines should be considered:</p> <ul style="list-style-type: none"> a) The source and the nature of the documents used for evidence must be carefully considered and must be able to prove performance and achievement of targets. b) Fewer documents should be used to prove performance. c) Portfolio of evidence must be easily accessible and where possible reference should be made to where portfolio of evidence can be found. d) Portfolio of evidence must be stored in a systematic and organized manner. <p>Evidence may inter alia, include-</p> <ul style="list-style-type: none"> a) Official records (emails, attendance registers, meeting minutes, memorandums, system reports, certificates, project plans) b) Confirmation by a supervisor c) Confirmation by other stakeholders such as letters of appreciation, external statistic reports etc. d) Inspection or viewing of evidence by supervisors (reports, photographic evidence, job cards, filing systems, physical inspection or viewing of job sites)
Gathering and collating of evidence	<p>The responsibility is on the employee or team to gather, collate and present evidence against the measurable KPIs and where applicable, job specific competencies as contained in the performance agreement for the entire performance cycle which will be used to substantiate scores related to the achievement of KPIs and job specific competencies. Failure to provide evidence related to the achievement of objectives will have a negative impact on determining the employee's performance outcomes.</p> <p>In the event where it is not possible for the employee to maintain portfolio of evidence the Municipal Manager may exempt categories of employees from maintaining a portfolio of evidence in which case alternative mechanisms or designated employees will be identified to maintain the portfolio of evidence of those employees.</p> <p>The following scenarios could apply:</p> <ul style="list-style-type: none"> a) portfolio of evidence for operational employees should be maintained by the supervisors where operational employees are not able to provide evidence or b) where POE is not available in instances of operational

	employees and other employees, a proper motivation will be sufficient.
Submission of evidence	The submission of evidence is subject to the following— a) during the planning phase, agreement must be reached on what evidence is to be used with the aim of minimising time and effort; and b) evidence must be gathered during the course of the performance cycle as this will inform and substantiate the scores according to the rating scale.
Quality Assurance of evidence	For the management of individual performance where required, the employee or supervisor must collect, review and submit evidence to support performance achievements. All evidence must be submitted during the self-review to ensure that the supervisor/ division manager have sufficient time during the managers review to scrutinise the evidence presented. The evidence submitted will enable the supervisor/ division manager to determine whether the employee has demonstrated his/ her ability to perform the task and whether it was done above or below expectations. Evidence can be submitted electronically or in hardcopy depending on arrangement between the employee and supervisor/ division manager. The following principles should be considered when compiling or collecting portfolio of evidence, to make sure it adequately demonstrates knowledge, skills, and behaviours. a) The reliability of the performance information used as evidence. The source and nature of the evidence and the circumstances under which it was obtained. b) The relevance of the of the KPI and performance information to the objectives of the division. c) The accuracy of the evidence such as the amounts, numbers and other data relating to reported actual performance must be recorded and reported correctly. d) The validity of the evidence, e.g. Evidence presented should be an appropriate way of demonstrating the abilities you want to show. e) The authenticity of the evidence, e.g. The evidence must be the employee’s own work. To ensure the achievement of efficient and effective performance all portfolio of evidence must be accurate, valid, reliable, properly referenced and safely stored for inspection purposes. The moderation committee(s) will rely on the quality checks done on portfolio of evidence by the supervisor/ division manager to make informed decisions regarding employee performance during moderation sessions.

APPENDIX 4: SUBSTANDARD PERFORMANCE

Purpose	These procedures are intended to— a) create an enabling environment to facilitate effective performance by the employee; b) provide the employee with access to skills development and capacity building opportunities in order to promote efficient and effective performance; c) provide remedial and developmental support to assist the employee to deal with substandard performance; and d) ensure that the employer and its employees work collaboratively to generate solutions to problems and improve each individuals
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	<p>performance.</p> <p>These procedures must be read in conjunction with the Regulations. The Code of Good Practice provided for in Schedule 8 of the Labour Relations Act, 1995, constitutes part of these procedures, in respect of poor work performance.</p>
Substandard Performance	<ol style="list-style-type: none"> 1) An employee who receives a performance rating below 3 (three) in terms of the Five- Point Rating will be deemed as underperforming and will <ol style="list-style-type: none"> a) be assisted in developing his/her competencies through training, coaching, mentoring and supervision where applicable and not required as part of formal qualification required for position; and b) develop a revised personal development plan with his/her supervisor to deal with their shortcomings as identified. 2) The personal development plan must contain at least— <ol style="list-style-type: none"> a) a description of the behaviour and skills that require improvement; b) a description of the actions that will be undertaken to improve the identified behaviour and skills that require improvement; c) the deadlines for improvement; d) a schedule of meeting to assess improvements and provide feedback; and e) details of the potential consequences if there is no improvement in performance. <ol style="list-style-type: none"> (i) The meetings to assess improvements and to provide feedback must be recorded in writing. (ii) The agreed initiatives are to be monitored regularly and informal feedback discussions to be held once a month with employee regarding the progress or lack of thereof and confirmed in writing, copy also furnished to employee. (iii) The personal development plan to manage performance improvement must cover a maximum period of six months, at the end which, a formal evaluation process must take place.
Procedures for dealing with substandard performance	<p>The following procedures for dealing with substandard performance should be followed:</p> <p>If there is reason to believe that an employee is not performing in accordance with the minimum performance standards of his/her post, the supervisor must take the following steps—</p> <ol style="list-style-type: none"> 1) Document the performance problems observed and investigate employee's past performance to determine if the problem is new or recurring. 2) Convene a meeting to discuss and give feedback also in writing to the employee on his /her performance, indicating where standards are not reached and what is required; 3) Furnish the employee with written reasons why it is necessary to initiate this procedure. 4) During the meeting the supervisor or line manager must— <ol style="list-style-type: none"> a) explain the requirements, level, skills and nature of the post; b) evaluate the employee's performance in relation to the performance c) agreement and set standards; d) explain the reasons why the performance is considered substandard; e) afford the employee or his /her representative an opportunity to respond to the performance outcomes referred to in paragraph (c); and f) Set clear expectations with a detailed improvement plan and review reasonable dates as well as consequences should the

	employee fail to improve performance and reach the required standard.
Corrective Action	<p>After considering the employees reasons, the supervisor may, if necessary—</p> <ol style="list-style-type: none"> a) initiate a formal programme of counselling and training to enable the employee to meet the required standard of performance, which must include— <ol style="list-style-type: none"> (i) an assessment of the time that it will take for the employee to deal with substandard performance; (ii) the timeframes within which employee is expected to meet the required performance standards; b) identify and provide appropriate training for the employee to reach the required standard of performance. c) establish ways to address any factors that may affect the employees performance that lie beyond the employees control. d) development needs of employees identified during performance monitoring and coaching processes must be evaluated and addressed to encourage good performance, improves job-related skills and competencies that support employees to keep up with changes in the workplace
Failure to meet the required performance	<ol style="list-style-type: none"> 1) If the employee fails to meet the required performance standard for the post after being subjected to a formal programme of counselling and training, the supervisor, may— <ol style="list-style-type: none"> a) regularly evaluate the employee's performance; b) provide further remedial or developmental support to assist the employee to eliminate substandard performance 2) If the employee's performance does not improve after he /she received appropriate performance counselling, training, assistance and the necessary support and reasonable time to improve his /her performance or he /she refuses to follow a formal programme of counselling and training contemplated therein— <ol style="list-style-type: none"> a) The Line Manager must advise the employee on aspects in which he/she does not meet the required performance standards of the post and provide written reasons why performance is unsatisfactory also indicating what is expected standard. b) The Line Manager and director must bring the allegations of substandard performance to the attention of the Human Resource Division who will provide guidance/ advice to the relevant line manager or director. c) After consultation with the Human Resource Division the director or his delegated authority must bring the allegations to the attention of the Municipal Manager in the form of a report. d) The Line Manager/ Director must table the report contemplated in subparagraph (c) before the Municipal Manager. 3) If the Municipal Manager is satisfied that sufficient evidence exists to institute Incapacity proceedings against the employee on the basis of the alleged substandard performance the Municipal Manager (or his/her delegated official), must furnish the employee with a Notice indicating the time, and venue of the Incapacity hearing as well as clearly indicate the employees' rights, who may act as representative and the possibility of termination as an outcome. 4) Alternatives to considered in respect of an employee whose performance has not improved to at least a standard that is fully effective: <ol style="list-style-type: none"> a) Continuation of the actions referred to in the personal development plan (not more than 3 months); b) alternative actions to improve performance; c) offering the employee an alternative job within the municipality

	<p>that is better suited to the employee's personality and skills; or</p> <p>d) termination due to incapacity in terms of the provisions of the Labour Relations Act.</p> <p>Poor work performance will be dealt with in accordance with guidelines in Items 8 and 9 of Schedule 8 to the Labour Relations Act.</p>
Performance improvement	<p>a) Upon successful completion of formal programme of counselling and training the employee will receive written confirmation from the Human Resource Division which will state that-</p> <p>(i) The employee's performance during the formal programme of counselling or training was satisfactory</p> <p>(ii) The employee is deemed competent and no further counselling or training will be required.</p> <p>b) The letter of confirmation together with the personal development plan and other relevant performance monitoring documents will be stored in the employee's personnel file.</p>

APPENDIX 5: PERFORMANCE MANAGEMENT CALENDAR

Performance Management Calendar		
Action	Activity	Comment
July		
Service Provider Performance	4 th Quarter service provider report Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> • SCM to submit report to Council • Submit reports to SCM Unit • Address poor performance
Performance Reporting	4th Quarter performance Report: Top Level SDBIP	<ul style="list-style-type: none"> • Each department to finalise SDBIP quarterly report • Input for Annual Report for AG
MM / s57 performance agreements	Prepare and approval	<ul style="list-style-type: none"> • Prepare agreements ito R805 • Approval and signed before 31 Jul • KPI's aligned with SDBIP • Include CCR's evaluation committee; evaluation periods; bonus
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> • Monthly progress reports to Executive Management and Portfolio Councillor • Actions to address GAPS
IDP	IDP Framework and Process Plan	<ul style="list-style-type: none"> • Process plan to ensure proper planning and involvement of all stakeholders to identify clear objectives and key performance areas
Employee Performance	Finalise performance plans	<ul style="list-style-type: none"> • Agree on targets, objectives, weights, KPAs, KPIs, target dates and competencies
August		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> • Submit reports to SCM Unit • Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> • Monthly progress reports to Executive Management and Portfolio Councillor • Actions to address GAPS

Performance Management Calendar		
Action	Activity	Comment
Employee Performance	Formal Year-end review of employee performance	<ul style="list-style-type: none"> • Evaluation of performance ending June • Moderation; coaching and counselling • Document and report
IDP	IDP Process Plan	<ul style="list-style-type: none"> • Submission to Executive Mayor • Approval of plan
September		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> • Submit reports to SCM Unit • Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> • Monthly progress reports to Executive Management and Portfolio Councillor • Actions to address GAPS
Moderation	Moderation of performance results of employees (Excluding the Municipal Manager and Section 56/57 Managers) at Divisional level	<ul style="list-style-type: none"> • Moderation of employee performance by moderation committee
Annual Performance Report	Finalise and submit performance report to AG	<ul style="list-style-type: none"> • Performance report on financial and operation performance for audit purposes
MM/s57 Performance	Annual performance review	<ul style="list-style-type: none"> • Review against targets • Review CCR's - obtain 360 degree input • Determine development needs • Calculate rewards into agreements • Document and sign-off
October		
Service Provider Performance	1 st Quarter service provider report Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> • SCM to submit report to Council • Submit reports to SCM Unit • Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> • Monthly progress reports to Executive Management and Portfolio Councillor • Actions to address GAPS
Performance Reporting	1 st Quarter performance Report: Top Level SDBIP	<ul style="list-style-type: none"> • Each department to finalise SDBIP quarterly report
MM/s57 Performance	Informal performance discussion	<ul style="list-style-type: none"> • How are we doing, progress and address possible shortcomings
IDP & Budget	Public participation	<ul style="list-style-type: none"> • Consult key stakeholders / role-players • Identify potential projects / needs

Performance Management Calendar		
Action	Activity	Comment
Moderation	Moderation of performance results of employees (Excluding the Municipal Manager and Section 56/57 Managers) at Divisional level	<ul style="list-style-type: none"> Moderation of employee performance by moderation committee
November		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS
Planning	Strategic Planning	<ul style="list-style-type: none"> Planning sessions with Council and Management Mission, Vision and Values Review progress against strategic objections Review strategic direction and progress Alignment with national strategies Budget guidelines / draft projects
Moderation	Moderation of performance results of employees (Excluding the Municipal Manager and Section 56/57 Managers) by the Departmental Moderation Committee	<ul style="list-style-type: none"> Moderation of employee performance by moderation committee
December		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS
Moderation	Moderation of performance results of employees (Excluding the Municipal Manager and Section 56/57 Managers) by the Municipal Moderation Committee	<ul style="list-style-type: none"> Moderation of employee performance by moderation committee
Annual Report	Draft Annual Report	<ul style="list-style-type: none"> Final draft to be ready for submission to Council
January		
Service Provider Performance	2 nd Quarter service provider report Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> SCM to submit report to Council Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS

Performance Management Calendar		
Action	Activity	Comment
January		
Performance Reporting	Prepare and submit Mid-year performance report to s72 of MSA	<ul style="list-style-type: none"> Each department to finalise SDBIP quarterly report
Employee Performance	Formal Mid-year review of employee performance	<ul style="list-style-type: none"> Evaluation of performance for the past 6 months ending December Moderation; coaching and counselling Document and report
Annual Report	Submit draft report to Council	<ul style="list-style-type: none"> Final draft submitted to Council for adoption in principle and public participation
February		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS
MM/s57 Performance	Mid-year formal performance review	<ul style="list-style-type: none"> Review against targets Review CCR's - obtain 360 degree input Determine development needs Calculate rewards to agreements Document and sign-off
Annual Report	Advertise draft Annual Report for public participation	<ul style="list-style-type: none"> Advertise draft Annual Report for public comment in terms of service delivery
Oversight	MPAC considers Annual Report	<ul style="list-style-type: none"> Review Actions to address shortcomings Performance Risk Assessment Report to Council
March		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS
IDP	Draft IDP to Council	<ul style="list-style-type: none"> IDP aligned with national strategy Include clear objectives and municipal KPA's Needs that cannot be accommodated should be included in priority listings Should include all required sectoral plans that are aligned

Performance Management Calendar		
Action	Activity	Comment
March		
Budget	Draft Budget to Council	<ul style="list-style-type: none"> Budget aligned with IDP and address IDP objectives
SDBIP	Draft top level SDBIP and submit with draft budget	<ul style="list-style-type: none"> Top Level SDBIP should be aligned with IDP and budget; strategic objectives; municipal KPA's; assigned to senior managers and include outer year performance
Annual Report	Approval of Annual Report	<ul style="list-style-type: none"> Public comment considered Final Annual Report submitted MPAC report submitted Proposed actions approved
April		
Service Provider Performance	3 rd Quarter service provider report Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> SCM to submit report to Council Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS
Performance Reporting	3 rd Quarter performance Report: Top Level SDBIP	<ul style="list-style-type: none"> Each department to finalise SDBIP quarterly report
IDP & Budget	Public participation	<ul style="list-style-type: none"> Obtain public input in draft documents and consult key stakeholders
MM/s57 Performance	Informal performance discussion	<ul style="list-style-type: none"> How are we doing, progress and address possible shortcomings
Work Place Skills Plan	Update and submit WSPS	<ul style="list-style-type: none"> Alignment with needs as per mid-year performance reviews
May		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> Submit reports to SCM Unit Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> Monthly progress reports to Executive Management and Portfolio Councillor Actions to address GAPS
IDP & Budget	Approval of IDP and Budget	<ul style="list-style-type: none"> Approval by Council
SDBIP	Departmental SDBIP development	<ul style="list-style-type: none"> Workshop with departments

Performance Management Calendar		
Action	Activity	Comment
June		
Service Provider Performance	Review performance of service providers as per the approved policy	<ul style="list-style-type: none"> • Submit reports to SCM Unit • Address poor performance
SDBIP Reporting	Update departmental SDBIP	<ul style="list-style-type: none"> • Monthly progress reports to Executive Management and Portfolio Councillor • Actions to address GAPS
SDBIP	Top Level SDBIP approval	<ul style="list-style-type: none"> • SDBIP to be submitted to Mayor within 14days after budget approval • Approval by Mayor within 28 days after budget approval
SDBIP	Approval of departmental SDBIP	<ul style="list-style-type: none"> • SDBIP to be address all Top Level KPI's • Address departmental responsibilities Key activities, challenges and risks; performance plans (project lifecycle); resource allocation; inputs and timeframes