



PERFORMANCE MANAGEMENT SYSTEM **POLICY**

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| Date Approved: | |
| Effective Date: | |

1. PURPOSE

1. The purpose of the performance management policy and procedure is to regulate the effective implementation of the performance management requirements for the management of INGWE Local Municipality as it manifests in various pieces of legislation such as:
 - The Constitution of 1996
 - The Batho Pele White Paper of 1998
 - The Municipal Systems Act of 2000, as amended (hereafter MSA)
 - The Municipal Planning and Performance Management Regulations of 2001
 - The Local Government: Municipal Financial Management Act of 2003 (hereafter MFMA)
 - The Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 (hereafter R805).

2. SCOPE OF APPLICABILITY

The policy is applicable to all officials of the Ingwe Municipality who are appointed in terms of the Municipal Systems Act and who fall within the scope of Local Government Bargaining Council and those appointed on the fixed term contract (Section 54 & 56) employees).

3. DEFINITIONS

- 3.1 "**Act**" means the Municipal Systems Act, no. 32 of 2000, as amended in terms of the Municipal Systems Amendment Act, no. 7 of 2011.

- 3.2 **“Employee”** in this policy means a person employed by the Council,
- 3.3 **“Performance Agreement”** means an agreement as contemplated in Section 54 & 56 of the Act;
- 3.4 **“Strategic Objectives”¹** are essentially the issues that a municipality pronounces to focus on in order of importance to address the needs of the community and can be clustered to represent the broad development mandate of local government.
- 3.5 **“City Key Performance Areas (CKPA’s)”²** represent the all the components of the Integrated Development Plan (IDP) which are translated into a set of clear and tangible key performance areas.
- 3.6 **“City Score Card”** reflects the city strategic objectives, city key performance areas and the exposition of the latter into amongst others key performance indicators and targets, after application of the balanced score card methodology.
- 3.7 **“Core Competency Requirements”** refer to behaviours and skills that are considered core to achieving the key performance areas of the post and ultimately the City Strategic Objectives and City Key Performance Areas.
- 3.8 **“Personal Development Plan”** is a plan that is developed to show what training and development activities will be planned for the Employee.
- 3.9 **“Integrated Development Plan (IDP)”** means a plan envisaged in Section 25 of the Municipal Systems Act, 2000
- 3.10 **“Key Performance Areas (KPA’s)”** describe something that must be achieved. It refers to both the main activities and key tasks which make up a person’s job as well as the key tasks that link to the city's key performance areas. The key performance areas also focus on the results individual Employees are expected to achieve in their job.
- 3.11 **“Key Performance Indicators (KPI’s)”** are measures that are used to provide the evidence or proof of whether or not a key performance area has been met.
- 3.12 **“Performance Standard”** is used when it is impossible to identify a measurable performance indicator for a particular key performance area. In this case it is necessary to write a performance standard, for example the fact that a policy is approved will imply that it has met the standards required by Council.
- 3.13 **“Rating”** means the application of a five point scale and a set of criteria to each key performance indicator.

¹ Referred to as Priorities according to the Local Government: Systems Act, No. 32 of 2000 (Section 38(a)(iii)) as well as the Performance Management Guidelines for Municipalities, 2001, by the Department of Provincial and Local Government (*Paragraph 5.1.2*)

² Referred to as Objectives according to the Local Government: Municipal Systems Act, No. 32 of 2000 (Section 38(a)(iii)) as well Performance Management Guidelines for Municipalities, 2001, by the Department of Provincial and Local Government (*Paragraph 5.1.3*)

- 3.14 **“Scoring”** entails the mathematical calculation taking into account the rating and the weight of each indicator.
- 3.15 **“Total Performance Scoring”** is a summary of the scores of all key performance indicators.
- 3.16 **“Weights”** are allotted to every key performance indicator in the performance plan to show the relative importance of one key performance indicator against another key performance indicator.
- 3.17 **“Year End Review”** is done at the end of the last quarter of the financial year when each KPI is rated according to a five point scale and a set of criteria.

4. INGWE LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT POLICY AND PROCEDURE

4.1 The Act clearly sets out and requires that:

Each Municipality establishes a performance management system that is commensurate with its resources, best suited to its circumstances and in line with the City Strategic Objectives, CKPA’s, KPI’s, and targets contained in its integrated development plan. It is required to promote a culture of performance management among its political structures, political office bearers and councilors and its administration.

In terms of Section 54 & 56 of the MSA, a person appointed as the Municipal Manager and a person appointed as a manager directly accountable to the Municipal Manager, may be appointed to that position only in terms of a written employment contract and a separate performance agreement.

4.2 R805 regulates employment contracts, performance agreements (including performance plans) and job descriptions of the Managers and direct reports to the Municipal Manager.

4.3 However, the framework also applies the principles of the Act and R805 to the level of Executive Director for the following reasons:

- It is practice within the framework to contract organisational level 4 managers on a five year employment basis and therefore it makes good business sense that performance agreements are signed to ensure that each commits to agreed upon responsibilities.
- To ensure parity in the application of performance management practices of level 2 and 3 managers and provide a link to permanent employees.
- To avoid the administrative complexities of running more than one performance management system on top management level.

4.4 In terms of Section 3(2) of R805, the Municipal Manager contracts his/her employment with the Mayor, the latter being the representative of the municipality. In Clause 3(3) managers directly accountable to the Municipal

Manager contract with the Municipal Manager. Therefore quarterly performance coaching/year end rating of the Municipal Manager are executed by the Executive Mayor while the Municipal Manager does the same with respect to his direct reports.

5. EXPECTED OUTCOME

The expected outcome of application of the framework performance management policy and procedure for Management is that:

- Management collectively will execute their obligation towards the community as expressed in the Integrated Development Plan (IDP) and annual Service Delivery and Budget Implementation Plan (SDBIP).
- Management has an understanding of how he/she can contribute towards the attainment of the Vision, Mission, Strategic Objectives, City Key Performance Areas (KPA's) and City Key Performance Indicators (KPI's) of the Council. With this in view the policy focuses on describing in broad terms:
 - Which skills and competencies must be attracted, appointed and developed.
 - How a sound working relationship between managers and employees through the development of agreed upon KPA's, the provision of feedback, performance counseling and coaching should be developed.
 - How employees must be actively involved in the management of their own performance in an accountable manner.
 - How the reward system must be structured.
 - How poor performance must be managed and improved (this is discussed in separate policy document).

6. INTEGRATION OF R805

The subsequent paragraphs describe the integration of R805 and unique management practices into the current individual performance management system starting with the provisions and requirements of a performance agreement (the provisions and requirements of an employment contract are dealt with in other applicable policies and procedures). Thereafter the integration of R805 requirements is demonstrated through a discussion of the four phases of the performance management cycle.

7. PERFORMANCE AGREEMENT

7.1 The purpose of the agreement is to:

- Comply with the provisions of Section 54 & 56 of the MSA, as amended, as well as the employment contract entered into between the parties for the Municipal Manager and his direct reports.

- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, SDBIP and the Budget of the municipality.
- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.
- Specify and plan for competency gaps as set out in a personal development plan (PDP), which forms an annexure to the performance agreement (a PDP for addressing developmental gaps which have been identified during the previous financial year must form part of the annual revised performance agreement).
- Monitor and measure performance against set targeted outputs.
- Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job.
- In the event of outstanding performance, to appropriately reward the employee.
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

7.2 The performance agreement demonstrates a mutual commitment:

7.2.1 The Employer must:

- Create an enabling environment to facilitate effective performance by the employee;
- Provide access to skills development and capacity building opportunities;
- Work collaboratively with the employee to solve problems and generate solutions to common problems that may impact on the performance of the employee;
- 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 agreement; and
- Make available to the employee such resources as the employee may reasonably require from time to time assisting him or her to meet the performance objectives and targets established in terms of the agreement.
- Consult the employee about the specific performance standards that will be included in the performance management system as applicable to the employee
- Consult timely with the employee where the exercising of the powers will have, amongst others a direct effect on the performance of any of the employee's functions or commit the employee to implement or to give effect

to a decision made by the employer or have a substantial financial effect on the employer.

- Agree to inform the employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in the aforementioned as soon as is practicable to enable the employee to take any necessary action without delay.

7.2.2 The employee:

- Agrees to participate in the performance management system that the employer adopts or introduces for the municipality.
- Accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employer, management and municipal staff to perform to the standards required.
- Undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (KPA's) (including special projects relevant to the employee's responsibilities) within the local government framework. The performance agreement demonstrates the willingness by the employee to participate in the performance management system that has been adopted by the framework, expressed in the implementation of the four phases of the performance management cycle.
- Accepts that nothing in the agreement diminishes the obligations, duties or accountabilities of the employee in terms of his or her employment contract, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

7.3 Employment in terms of the employment contract must be subject to the signing of a separate performance agreement within sixty (60) calendar days after a person has been appointed and annually within one month after each new financial year. Failing to do so will mean that the appointment lapses; provided that, upon good cause shown by such person to the satisfaction of the framework, the appointment shall not lapse.

7.4 The agreement must be entered into for each financial year of the municipality, or part thereof.

7.5 A minimum of two (2) parties are involved namely the direct supervisor and the incumbent.

7.6 The parties must review the provisions of the initial agreement during June/July each year and must conclude a new performance agreement that replaces the previous agreement. All agreements must be signed by both parties.

7.7 The agreement will cease on the termination of the employee's contract of employment for any reason.

7.8 If at any time during the validity of the agreement the work environment alters to the extent that the contents of the agreement are no longer appropriate, the

contents must immediately be revised by mutual agreement between the parties and signed by both parties.

- 7.9 Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities or methods of assessment must be mediated timely.
- 7.10 The following mechanisms, which in terms of clause 33 (1) of Regulation 805 resolves disputes through mediation, must be provided for:
- In the case of the Municipal Manager a dispute is mediated by the MEC for Local Government in the Province or any other person designated by the MEC.
 - The dispute must be mediated within thirty (30) days of receipt of a formal dispute from the employee.
- 7.11 In the case of managers directly accountable to the Municipal Manager a dispute is mediated by the Executive Mayor. The dispute must be mediated within thirty (30) days of receipt of a formal dispute from the employee.
- 7.12 In the case of organizational level 3 and 4 positions a dispute will be mediated by the Municipal Manager. The dispute must be mediated within thirty (30) days of receipt of a formal dispute from the employee.
- 7.13 If no dispute has been declared and the employee fails to comply with the timeframes for signing of a performance agreement, subsection 17(2) (d) of R805 will be applicable.
- 7.14 The contents of the performance agreement of the Municipal Manager and his direct reports must be made available to the public by the Municipal Manager in accordance with Section 75 of the MFMA and Section 46 of the MSA.
- 7.15 The employment contract and the performance agreement of the Municipal Manager and his direct reports must be submitted by the Municipal Manager to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government within fourteen (14) days after concluding the employment contract and the performance agreement.
- 7.16 The performance agreement provides for the criteria upon which the performance of the employee must be assessed. The criteria consist of two components and the employee must be assessed against both components. These components are the Key Performance Areas (KPA's) and the Core Competency Requirements (CCR's). KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 7.17 The employee's assessment will be based on his or her performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan. These KPI's constitute 80% of the overall assessment result as per the weightings agreed to between the employer and employee.

7.18 The CCR's will make up the other 20% of the employee's assessment score. CCR's that are deemed to be most critical for the employee's specific job should be selected from the following list:

7.18.1 Core Managerial Competencies (Cmc)

- Financial Management (obligatory)
- People Management and Empowerment (obligatory)
- Client Orientation and Customer Focus (obligatory)
- Strategic Capability and Leadership
- Programme and Project Management
- Change Management
- Knowledge Management
- Service Delivery Innovation
- Problem Solving and Analysis
- Communication
- Honesty and Integrity

7.18.2 Core Occupational Competencies (Coc)

- Competence in Self Management
- Interpretation of and implementation within the legislative and national policy frameworks
- Knowledge of Performance Management and Reporting
- Knowledge of global and South African specific political, social and economic contexts
- Competence in policy conceptualisation, analysis and implementation

7.19 The Municipal Manager may identify CCR's that need to be applicable to Management.

7.20 Indicators may be identified for each of the CCR's, provided they are measurable.

7.21 Additional other applicable CCR's may be identified (for example those prescribed by other legislation).

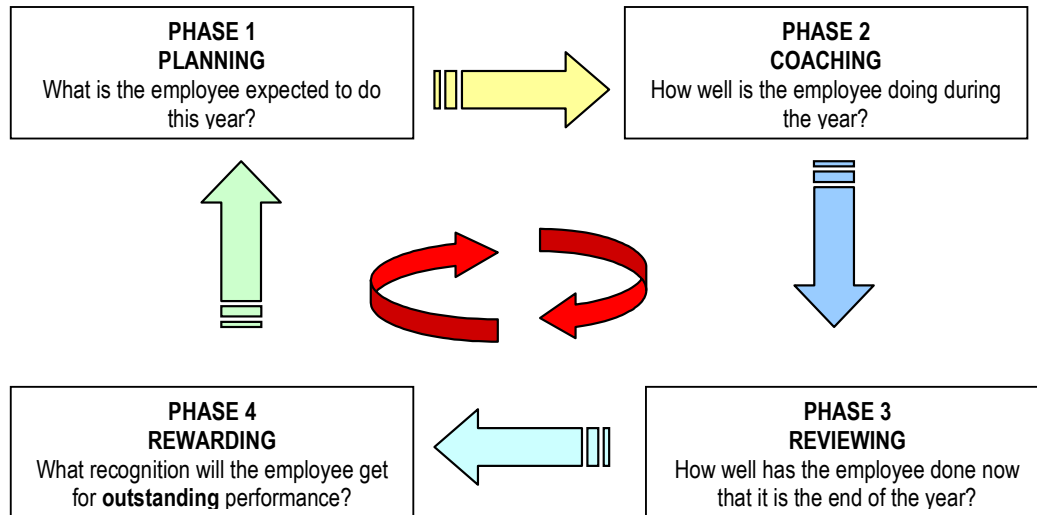
7.22 Regulation 805 became effective as from the 1st of August 2006. Performance agreement is subject to sub regulation 39 (2), which states that employment contracts entered into before the effective date of the regulations continue to apply until such employment contract have been terminated in terms of the provisions of such contract.

7.23 Predetermined evidence for both the 20% and the 80% KPI's should be agreed upon between employer and employee on the signing of the performance contract.

8. PHASES OF THE PERFORMANCE MANAGEMENT CYCLE

The performance management cycle includes four phases (see Figure 1 and subsequent paragraphs).

**Figure 1
Performance Management Cycle**



8.1 Phase 1: Performance Planning

8.1.1 This is about jointly identifying individual performance expectations and gaining the employee's commitment to achieve these expectations.

8.1.2 The identified expectations and commitments are captured in the performance plan (score card).

The adopted score cards as a form of tracking and managing performance. It provides for:

- The alignment to respectively national KPA's, the city score card and the departmental score card by providing for the linking up to the city key performance areas and the departmental key performance areas.
- The demonstration of the strategic intent and long term planning by means of the cumulative program baseline, 5 year target and annual targets.
- The setting of measurable performance targets (annual planned target) which is phased in on a quarterly basis (cumulative quarterly target).
- The monitoring process by providing for the recording of quarterly actual performance measurements (cumulative quarterly actual), the reasons for performance (including progress made) and the mitigation of poor performance

8.2 Phase 2: Performance Coaching

8.2.2 This is a crucial phase of continuously tracking and improving performance, through feedback and reinforcement of key results and competencies. During this phase, on a quarterly basis, the actual performance must be determined and be judged against the planned performance as well as other standards that have been set in advance. Hereafter it is possible to assess the performance of the employee regarding the quarterly obligation as well as the

cumulative performance, i.e. whether the employee has performed consistently.

- 8.2.3 In the event of unsatisfactory performance the supervisor and the incumbent need to identify remedial interventions of which some will be monitored on the score card of the incumbent and some on the score card of the supervisor depending on the level where the intervention can be controlled.
- 8.2.4 Although R805 only provides for two formal coaching/reviewing sessions per annum (1st and 3rd quarter may be verbal if performance is satisfactory), it is advised to consistently coach/review on a quarterly basis.
- 8.2.5 In addition to the four quarterly performance reviewing meetings (one per quarter), the employer may assess the employee's performance at any stage while the employment contract remains in force.
- 8.2.6 Personal growth and development needs identified during any formal performance assessment discussion must be documented in a personal development plan as well as the actions agreed to and implementation must take place within set time frames.
- 8.2.7 The employer must keep a record (coaching minutes per employee) of the all formal performance assessment meetings. Performance feedback must be based on the employer's assessment of the employee's performance.

8.3 Phase 3: Performance Review (including fourth quarter coaching)

- 8.3.1 This phase involves jointly assessing actual performance against expectations. This is done bi-annually by the incumbent and the direct supervisor.
- 8.3.2 The mid-year review will be conducted in January to assess the relevance of the KPA's as well as the employee's performance against the KPA's and a formal final review shall be conducted after the end of the financial year i.e. in July.
- 8.3.3 The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties. This is done at the formal performance assessment meetings and must be well documented and authorized. However after the mid year review changes will be only be allowed in accordance with the amended SDBIP for that particular financial year.

The year-end review is done as follows:

- The incumbent rates him/herself and thereafter the supervisor rates the incumbent. The rating is done as follows:
 - Each indicator linking up to a KPA and each indicator linking up to a CCR is assessed according to the extent to which the specified standards and planned targets have been met.
 - Thereafter an indicative rating for each indicator is allotted in accordance with the five point rating scale as per Annexure A.
- If the ratings of the incumbent and the supervisor are not the same the incumbent must be given an opportunity to provide additional evidence where

after a final rating must be agreed upon.

- The final rating is then multiplied by the weight given to each indicator during the contracting process, to provide a score for respectively the KPA's and the core competencies. The formula is as follows:

8.4 Weight x rating

8.4.1 The final score is the sum total of respectively the KPA's converted to 80% and the CCR's converted to 20%. The final score is calculated as follows:

$$\begin{aligned} \text{KPA's:} & \quad \text{The sum of } \frac{(\text{Weight per KPI} \times \text{rating})}{3} \times 80\% \\ \text{CCP's:} & \quad \text{The sum of } \frac{(\text{Weight per KPI} \times \text{rating})}{3} \times 20\% \end{aligned}$$

- Final scores will be rounded off on normal principles, e.g. 95.5% will be rounded off to 96 and 95.4% to 95%. The same principle will be followed in calculating the final audited score.
- The results of the formal year end review will be audited to ensure that all evidence is authorised and relevant and to make recommendations on the improvement of the system. The audit can be conducted by external auditors with the provision that skills transfer is done with a view to enhance internal capacity building.

Thereafter the audited results are considered/recommended by the Audit and Performance Committee.

8.4.2 For purposes of evaluating the audited performance results, Clause 27(1)(d) and (e) of Regulation 805 provide for the annual constitution of Evaluation Panels. The role of the Evaluation Panels is to ratify the audited year-end performance report which was considered/ recommended by the Audit and Performance Committee. For more detail on the role of the Evaluation Panels, see paragraph 40.

8.4.3 For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel must be established by the Executive Mayor. The panel consists of the following persons:

- Executive Mayor.
- Chairperson of the Audit Committee.
- Member of the Mayoral Committee.
- Mayor and/or municipal manager from another municipality.
- Member of a ward committee as nominated by the Executive Mayor.

8.4.4 For purposes of evaluating the annual performance of managers directly accountable to the City Manager, an evaluation panel must be established by the Municipal Manager. The panel consists of the following persons:

- Municipal Manager.
 - Chairperson of the Audit Committee.
 - Member of the Mayoral Committee.
 - City Manager from another municipality.
- 8.4.5 For purposes of evaluating the performance of managers not reporting directly to the Municipal Manager, an evaluation panel must be established by the Municipal Manager. The panel consists of the following persons:
- The Municipal Manager.
 - Chairperson of the Audit Committee.
 - Deputy City Manager responsible per Cluster
 - Departmental MMC's responsible per Cluster
- 8.4.6 The ED: Human Resource Management must provide secretariat services to the evaluation panels.
- 8.4.7 In terms of Clause 33(2) of Regulation 805 the following mechanisms must be put in place to mediate any disputes about the performance evaluation:
- In the case of the Municipal Manager a dispute is mediated by the MEC for Local Government in the Province or any other person designated by the MEC. The dispute must be mediated within thirty (30) days of receipt of a formal dispute from the employee.
 - In the case of managers directly accountable to the Municipal Manager a dispute is mediated by an MMC, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of R805. The dispute must be mediated within thirty (30) days of receipt of a formal dispute from the employee.
 - In the case of managers not directly responsible to the Municipal Manager a dispute will be mediated by the Municipal Manager. The dispute must be mediated within thirty (30) days of receipt of a formal dispute from the employee.
 - In all cases the decision of the mediator shall be final and binding on both parties.
 - The performance assessment results of the Municipal Manager must be submitted by the Executive Mayor to the MEC responsible for Local Government in the relevant Province as well as the national Minister responsible for Local Government, within fourteen (14) days after the conclusion of the assessment.

8.5 Phase 4: Rewarding

- This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees who have excelled.
- The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- In accordance with Sub-regulation 32 of R805, a performance bonus, based on affordability, may be paid to the employee after:
 - Tabling and adoption by Council of the annual report for the financial year under review
 - Adhering to performance evaluation principles in accordance with the provisions of Sub-regulation 23 of R805
- Approval of such evaluation as a reward for outstanding performance by Council. The Mayoral Committee may approve of such evaluation as a reward for outstanding provided the approval is subject to the approval of the Annual report by Council and subject to confirmation that the performance evaluation principles in accordance with the provisions of Sub-regulation 23 of R805 has been adhered to.
- In addition the following conditions are applicable and a person who does not comply to all will not be eligible to receive a performance bonus for the review period:
 - A written performance based employment contract has been signed in accordance with the MSA, as amended.
 - A separate performance agreement and performance plan/score card within sixty (60) calendar days after assumption of duty has been signed or a separate performance agreement has been signed annually within one month after the commencement of the new financial year whichever is applicable for the review period.
 - Employees employed in organizational levels 1-4 will be eligible for a bonus if in the employment of the CoT for at least 6 months of the review period. No bonus will be paid for periods in employee in any position for less than 6 months of the review period. Where a person was employed for more than 6 months, but less than 12 the performance bonus will be awarded pro rata.
 - Permanent employees (i.e. Directors) acting in a fixed term position (i.e. Executive Director) is not eligible for a bonus in terms of the stipulations of this policy. However in such cases, performance must be monitored and mitigated and therefore performance coaching will proceed in accordance with this policy.
- Managers acting in higher positions for at least 6 consecutive months of a financial year will be assessed in terms of two score cards i.e. that of the manager's own appointed position and that of the higher acting position. The manager was responsible for two score cards and this makes bonus

calculation problematic. In order to simplify bonus calculation the following procedure will be applicable:

- a) The final score of the score card applicable to the own appointed position will be calculated for the full financial year.
 - b) The final score of the score card applicable to the higher acting position will be calculated for the full financial year.
 - c) The average of the two scores will be used to calculate the bonus.
- Managers who act in a higher position for a full financial year will be assessed in terms of the score card of the higher acting position.
 - The performance bonus of Managers who act in a higher position will be calculated on the remuneration package of the position as stipulated in the employment contract. The calculation will therefore not be done on the higher post's remuneration package and/or other additional allowances applicable to the higher position.
 - A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating provided that:
 - A score of 150% and above is awarded a performance bonus ranging from 10% to 14%
 - A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%.
 - A score of 100% to 129% is awarded a performance bonus ranging from 1% to 4%
 - A score of less than 100% indicates remedial actions.

In the case of unacceptable performance, the employer shall –

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

9. ROLES AND RESPONSIBILITIES

- Office of the Executive mayor
- The Executive Mayor may assign the management of performance (organizational and individual) to the Municipal Manager and if not must appoint somebody in that office to manage the function.

- The Executive Mayor is responsible for dispute resolution regarding performance management matters (nature of performance agreement and performance evaluation) of managers directly reporting to the Municipal Manager.

Municipal Manager/Acting Municipal Manager

- Ensures implementation of Organizational Performance Management process and input into the planning phase of individual performance management
- Arranges, maintains and monitors coaching sessions of direct reports.
- Facilitates constitution of appeals committee (s) for dispute resolution of managers not reporting directly to him.
- Constitutes evaluation panels in accordance with R805 for evaluation of the performance results of direct reports to him.

ED: Organisational Efficiency Improvement

- Facilitates the implementation of the individual performance management system.
- Signing of the performance agreements and the compilation of performance plans (score cards) are the responsibility of the respective incumbents and the supervisors. However, Organisational Efficiency Improvement will provide guidelines, advice and instruments and will quality control the departmental efforts.
- Advises the City Manager on procedures/structures.
- Implements/maintains procedures and structures pertaining to legislated performance management procedures/structures

Incumbent

- Takes responsibility for the standard of performance
- Develops and implements action plans to achieve objectives.
- Develops/maintains evidence files in accordance with his/her performance plan.
- Develops personal development plans in consultation with supervisor.
- Contributes to the core competencies of local government
- Suggests ways to address the CoT's strategies and departmental goals.
- Consult Supervisor for information, help or advice where needed
- Asks for regular feedback to monitor own performance.
- Makes suggestions on how own performance can be improved.
- Keeps supervisor informed about progress and potential risks which may affect ability to achieve objectives and performance standards.

Employer/Supervisor

- Heads of departments (including Municipal Manager for the office of the CM) implement/maintain the performance management process (departmental and individual).

- Heads of departments (including Municipal Manager for the office of the Municipal Manager and direct reports) ensure that direct reports sign performance agreements and performance plans(scorecards) within set timeframes
- Heads of departments (including Municipal Manager for the office of the City Manager and direct reports) ensures that original copies of signed performance agreements and performance plans (own and direct reports) are sent to the ED: Organisational Efficiency Improvement.
- Provides guidance, support, enabling environment and sufficient time to improve
- Feedback based on performance results
- Oversees development, implementation and maintenance of monitoring frameworks for unit of responsibility
- Coaches employees by giving ongoing feedback and assessing performance.
- Helps employees to set challenging but realistic objectives which will also contribute to continuous improvement.
- Monitors employees' performance against these objectives.
- Uses reward and recognition to reinforce good performance.
- Manages poor performance appropriately.
- Identifies knowledge/skill/behaviours needed by the employee which is captured in personal development plans.
- Provides training/development opportunities.
- Communicates the City Scorecard, KPA's and KPI's, strategic objectives and the departmental goals to employees and show them how their work contributes to the success of the Municipality.
- Ensures that employees know what is expected of them and why.
- Conducts a mid-year review with the employees to ensure that the objectives are still relevant and to assess the employee's progress to date against the objectives.

Audit and Performance Committee

- In terms of section 166(2) (a) of the MFMA the Audit Committee is an independent advisory body which must advise municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or board of directors, the accounting officer and management staff of the municipal entity, on matters relating to amongst others performance management and performance evaluation.
- In terms of Section 45(a) of the Municipal Systems Act, as amended and Section 14(1)(c)(ii) of the Municipal Planning and Performance Management Regulations No. R796 of 24 August 2001, a municipality's internal auditors must on a continuous basis audit the performance measurements of the municipality and are required to submit quarterly reports on their audits to the municipal manager and the performance audit committee.

Evaluation Panel

- Make bonus recommendations.
- Consider/reaffirm the audit report and recommendations.
- Provide documentation needed by dispute resolution mechanisms.

Dispute Resolution Mechanisms

- To consider the disputes lodged against the final audited score or against an alleged flawed review process.
- To give appellants an opportunity to confirm the issues they were appealing against and to provide additional evidence/proof for final consideration.
- To communicate the outcome of the committee's decision to appellants within one week after the meeting.
- To forward decisions to the Mayoral Committee for approval

10. MANAGING POOR WORK PERFORMANCE

- The management of poor work performance is dealt with in the disciplinary policy.

11. COUNCIL APPROVAL AND EFFECTIVE DATE

Approval of Policy by Council and Effective date: -----

MUNICIPAL MANAGER

DATE

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ANNEXURE A

FIVE POINT RATING SCALE

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