

THE CITY OF MATLOSANA



PERFORMANCE MANAGEMENT POLICY 2017

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APPROVAL

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2. ISSUE CONTROL

This policy is issued by the Performance Management Unit on behalf of the City of Matlosana, to whom any change requests or queries should be directed. The review life for this document is 12 months.

3. DISTRIBUTION

Copy No.	Name	Organisation
Master	The Performance Management Framework	Council
01	Revised Performance Management System Framework & Policy 2009	Council
02	2011 Performance Management System Framework & Policy	Council
03	Performance Management Framework 2014	Council
04	Performance Management Framework 2015	Council
05	Performance Management Framework 2017	Council

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Preamble

The Constitution of SA (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an “accountable government”.

The democratic values and principles in terms of section 195 (1) are also linked with the concept of Performance management, with reference to the principles of inter alia:

- ▶ the promotion of efficient, economic and effective use of resources,
- ▶ accountable public administration
- ▶ to be transparent by providing information,
- ▶ to be responsive to the needs of the community,
- ▶ And to facilitate a culture of public service and accountability amongst staff.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

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1. Purpose

Chapters 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as Amended, requires local government to:

- ▶ Develop a performance management system.
- ▶ Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan.
- ▶ Publish an annual report on performance management for the councillors, staff, the public and other spheres of government.
- ▶ Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- ▶ Conduct an internal audit on performance before tabling the report.
- ▶ Have the annual performance report audited by the Auditor-General.
- ▶ Involve the community in setting indicators and targets and reviewing municipal performance.

1.1 DEFINITION

Performance Management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and technique to regularly plan, continuously monitor, periodically measure and review performance of the organization in terms of indicators and targets for efficiency and impact.

1.2 MISSION AND CORE VALUES

THE MISSION

“TO RENDER EQUITABLE, SUSTAINABLE AND HIGH QUALITY BASIC SERVICES TO THE CITIZENS OF MATLOSANA”

THE **CORE VALUES** ARE EXPRESSED BY THE ACRONYM “**RAPIT**”, STRIVING TOWARDS POSITIVE “CHANGE” WHICH IS:

Values	Operating Principle(s)
RESPECT	<ul style="list-style-type: none"> ▶ Operating Principle(s) We engage with others in a humane way with politeness and care. ▶ We will listen to the communities we serve. ▶ We are focused on our stakeholders
ACCOUNTABILITY	<ul style="list-style-type: none"> ▶ We will take full responsibility for the actions we take and give citizens full value for money. ▶ We conduct our tasks in a responsible manner and continuously communicate with our beneficiaries and partners. ▶ We owe our accountability to each other, the community we serve and our stakeholders who partner with us. ▶ We are transparent in all our activities and subject ourselves to any form of scrutiny.

PROFESSIONALISM	<ul style="list-style-type: none"> ▶ We execute our roles to the highest standards according to applicable norms and standards. ▶ We execute our tasks with unselfish regard for or devotion to the benefit of communities. ▶ We ensure that our initiatives have A direct impact on communities
INTEGRITY	<ul style="list-style-type: none"> ▶ We hold our offices with ethical integrity to the benefit of those we serve. ▶ We aim to have congruence between our actions and our pronouncements.
TRANSPARENCY	<ul style="list-style-type: none"> ▶ We hold our offices with ethical integrity to the benefit of those we serve. ▶ We aim to have congruence between our actions and our pronouncements.

2. Scope of Application

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as Amended, 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.”

Sections 54A and 56 make the employment of the Municipal Manager and Managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively. Performance Management, therefore, is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities.

This framework therefore describes how the municipality’s performance process, for the organisation as a whole will be conducted, organised and managed. It also has the following objectives:

- ▶ Clarify processes of implementation
- ▶ Ensure compliance with legislation
- ▶ Demonstrate how the system will be conducted
- ▶ Define roles and responsibilities
- ▶ Promote accountability and transparency
- ▶ Reflect the linkage between the IDP, Budget, SDBIP and individual and service provider performance

3. Objectives and Benefits of a Performance Management System

3.1 OBJECTIVES

The objectives of the performance management system are described in the performance management policy and include:

- ▶ Facilitate strategy development
- ▶ Facilitate increased accountability
- ▶ Facilitate learning and improvement
- ▶ Provide early warning signals
- ▶ Create a culture of best practices
- ▶ Facilitate decision-making

The above objectives are aligned with the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and the guidelines of the Department of Development Planning and Local Government.

3.2 BENEFITS OF PERFORMANCE MANAGEMENT

Employees will derive specific benefits from a PMS in that it would:

- ▶ Provide better insight in the job and clarify the duties and responsibilities associated with the job;
- ▶ Enable employees to see where he/she fits into the municipal structure and contributes to achieve the development objectives of the Municipality as per the IDP;
- ▶ Assist employees to discover their own strengths, to recognise their weaknesses and to develop the knowledge, skills and attitudes to overcome these in order to fulfil their potential;
- ▶ Enhance individual career development through informed decision-making and focused training; and
- ▶ Enable employees to make full use of the opportunities presented by the implementation of employment equity.

Performance management have the following benefits for the Municipality:

- ▶ Implement the IDP by making it accessible to all employees, clarify objectives and strategies and promote the accountability of groups and individuals to these;
- ▶ Implement focused management linked to an early warning system;
- ▶ Continuously reassess structural functionality and enable effective organisational alignment with objectives and strategies;
- ▶ Evaluate the job analysis information and rectify faulty aspects thereof;
- ▶ Understand the role, duties and responsibilities of employees;
- ▶ Identify shortcomings in employment practices, procedures and policies;
- ▶ Delegate unambiguous and realistic responsibilities to employees;
- ▶ Assess the adequacy or inadequacy of resources available to employees;
- ▶ Identify and address training and development needs in a focused and structured manner so as to make use of the opportunities provided by the Skills Development Act;

- ▶ Develop the human resources of the Municipality; and
- ▶ Provide services in an efficient, effective and economic manner.

Performance management will benefit the community through:

- ▶ The establishment of a system which translates the IDP into measurable objectives and targets;
- ▶ The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- ▶ Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- ▶ The promotion of an accountable municipality

4. Desired Outcomes

The desired outcomes by the PMS implementation are as follows:-

- ▶ a positive reshaping of the relationship between local government and the community;
- ▶ an accountable Council which is responsive to the needs of its clients;
- ▶ an improvement in the image of the organization;
- ▶ a performance driven and motivated workforce;
- ▶ employees who accept accountability and responsibility for its own development and for that of the organization;
- ▶ an environment within which each individual's potential is developed and maximized;
- ▶ satisfied clients;
- ▶ the development of an ethos among the communities that they will assume responsibility for the wellbeing of the local authority.

5. Legislative Requirements

The following legislations are important:

- ▶ The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as Amended;
- ▶ Municipal Planning and Performance Management Regulations, 2001, Chapter 3, by the Department of Provincial and Local Government;
- ▶ Local Government: Municipal Systems Amendment Act, 2002 (Act No. 44 of 2003);
- ▶ Performance Management Guidelines for Municipalities, 2001, by the Department of Provincial and Local Government;
- ▶ DPLG. 2001. PMS Training Manuals;
- ▶ Local Government: Municipal Performance Regulation for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006;
- ▶ Framework for Managing Programme Performance Information by the Department: National Treasury, May 2007;
- ▶ IDP Guide : Section 5 and 6
- ▶ The Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management Act, as published under Government Notice No. 493 in the Government Gazette No. 29967 of 15 June 2007

- ▶ The Regulations on Appointment and Conditions of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette no 37245 of 17 January 2014)
- ▶ The Upper limits of Total Remuneration Package payable to Municipal Managers and Managers directly accountable to Municipal Managers, issued in terms of the Municipal Systems Act, as published under Government Notice No. 225 in the Government Gazette No. 37500 of 29 March 2014
- ▶ The Upper limits of Total Remuneration Package payable to Municipal Managers and Managers directly accountable to Municipal Managers, issued in terms of the Municipal Systems Act, as published under Government Notice No. 287 in the Government Gazette No. 39991 of 17 May 2016

Special reference is made to Local Government: Municipal Regulations on Minimum Competency Level, 2007 and the Upper limits of Total Remuneration Package payable to Municipal Managers and Managers directly accountable to the Municipal Manager.

6. Roles and Responsibilities

Section 53 of the Municipal Systems Act requires every municipality to define the specific role and area of responsibility of each political and administrative structure and functionary. The respective roles and responsibilities of each structure and functionary must:

- a) be defined in precise terms by way of separate terms of reference, in writing, for each structure or functionary; and
- b) be acknowledged and given effect to in the rules, procedures, instructions, policy statements and other written instruments of the municipality.

Unless this process has been completed, it is not possible to develop a sound delegation framework in terms of which the authority to implement specific roles and responsibilities is assigned. In the absence of delegations there is no basis for performance management. A manager could not be held accountable for a function, which has not been delegated to him/her.

The following table sets out a summary of the roles and responsibilities of the various stakeholders in the PMS within each of the management components:

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Executive Mayor	<ul style="list-style-type: none"> • Facilitate the development of a long term Vision regarding IDP and PMS • Mayor is responsible for the performance and need to approve the SDBIP and submit the annual performance report to Council • Approval of municipal manager performance plan and evaluate and report on municipal performance 	Optimum and equitable service delivery.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Mayoral Committee	<ul style="list-style-type: none"> • Support to the Executive Mayor • Provide strategic awareness and manage the development of the IDP and PMS. 	Promotes public awareness and satisfaction.
Portfolio Councillor	<ul style="list-style-type: none"> • Monitor the implementation of the strategy • Review and monitor the implementation of the IDP and the PMS • Evaluate performance of senior management, where applicable 	Facilitates the process of benchmarking and collaboration with other municipalities.
Council	<ul style="list-style-type: none"> • Adopt the PMS policy and approve the IDP • Approve performance rewards • Oversight role to ensure that performance management processes are monitored 	Provides a mechanism for the implementation and review of PMS and IDP achievement.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Municipal Manager	<ul style="list-style-type: none"> • Ensure the implementation of the IDP and the PMS. • Communicate with the Executive Mayor and Senior Management Team. 	Clarifies goals, targets and work expectations of the executive management team, other senior managers, line managers and individual employees.
Senior Management Team	<ul style="list-style-type: none"> ▣ Manage Departmental and individual performance ▣ Review and report on performance 	Facilitates the identification of training and development needs at different levels in the municipality.
All Other Managers	<ul style="list-style-type: none"> • Implement the departmental business / operational plans and monitor the Individual Performance Plans. 	Provides an objective basis upon which to reward good performance and correcting under performance.
Individual Employees	<ul style="list-style-type: none"> • Execute individual performance plans. 	Mechanism for early warning indicators to check and ensure compliance.
Reporting Officer (for service provider evaluations)	<ul style="list-style-type: none"> • Line Departments • Monitor and assess work done or service provided as per the service delivery agreement or contract 	Ensure quality and effective performance of service providers.

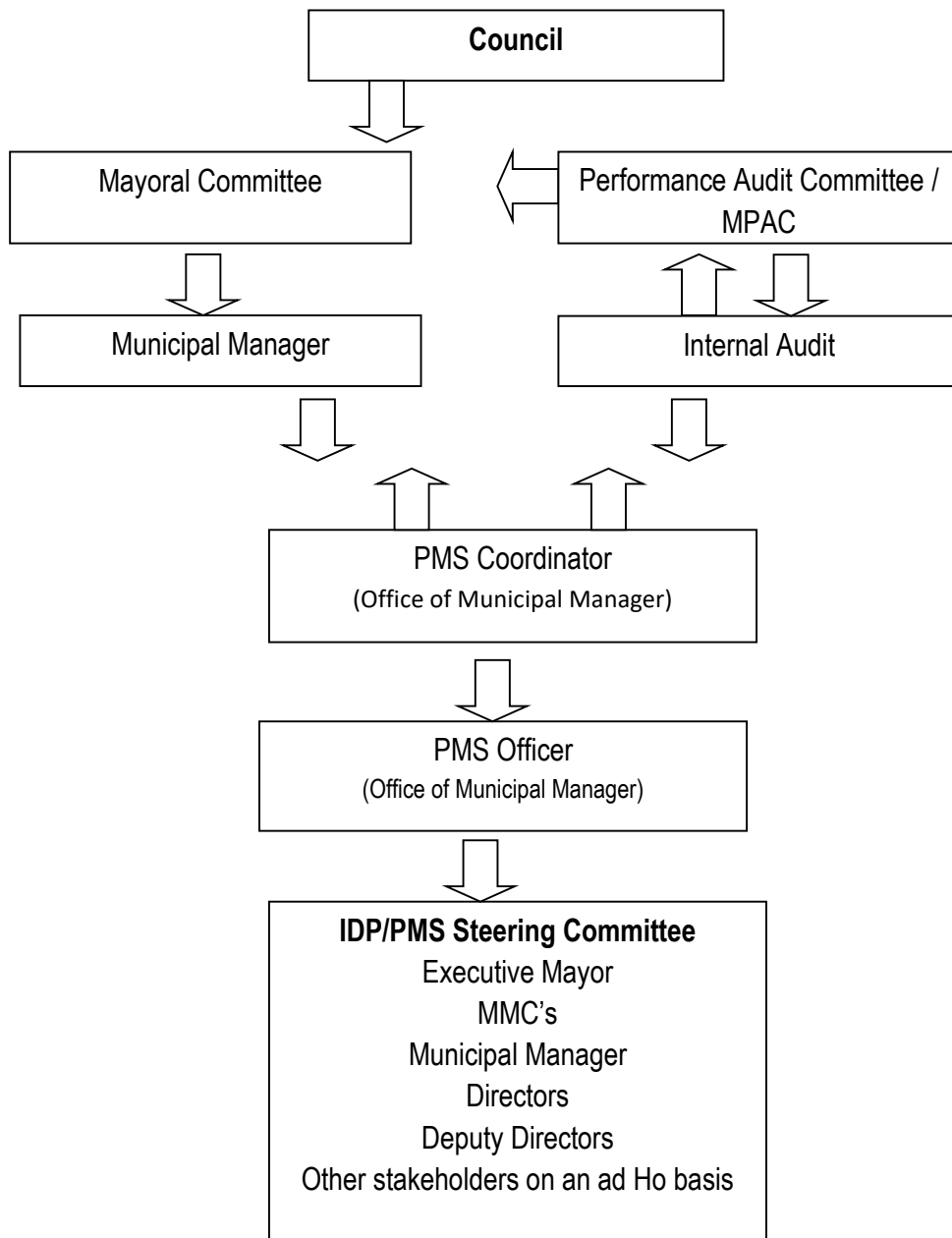
STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
	<ul style="list-style-type: none"> Report on the performance of the service provider 	
Supply Chain Management	<ul style="list-style-type: none"> Manage the performance monitoring process of service providers Report on contract management and service provider performance to Council quarterly Report to Council annually on the performance of service providers Investigate and report on the impact of the interventions on areas of underperformance as part of the quarterly and annually report. Review the policy and process annually. Liaise with departments on interventions for underperforming areas. 	<ul style="list-style-type: none"> Enhances service delivery and performance. Addresses weak performance timeously. Effective reporting.
Internal Audit	<ul style="list-style-type: none"> Assess the functionality, integrity, effectiveness and legal compliance with the PMS. 	<ul style="list-style-type: none"> Enhances the credibility of the PMS and the IDP. Enhances the status and role of Internal Audit.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Representative Forums / Ward Committees	<ul style="list-style-type: none"> Inform the identification of community priorities. Public involvement in service delivery of the municipality. 	Provide a platform for the public / communities to inform and communicate with Council.
Auditor-General	Audit legal compliance and performance processes	Provides warning signals of underperformance which can provide proactive and timely interventions.
Performance Audit Committee	Independent oversight on legal compliance.	Provides warning signals of underperformance.
Oversight Committee	Review Annual Report and suggest corrective action to address shortfalls	Improved performance

7. Establishing an Internal Infrastructure

The municipality must establish a project team led by a dedicated senior manager responsible for organisational performance management, delegated by the municipal manager. The project team must consist of the same people involved with the integrated development planning process. The team will report directly to the Municipal Manager, who will in turn account to the Executive Mayor and finally Council.

Within the City of Matlosana the Organisational PMS is structured as follows:



8. Managing the Change Process

When introducing the performance management system, it is crucial that all stakeholders come to a common understanding of performance management. This is an important component of the change process, and requires that officials are aware, understand and accept why performance management is needed and what principles will govern its development and use.

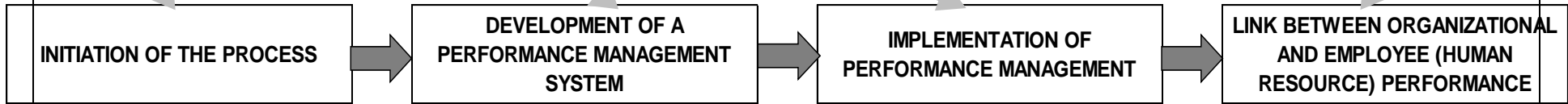
It is important that the leadership ensures that performance management will establish the accountability of the municipality to the community and the employees of the organization.

The Municipal Manager, together with the IDP/PMS Steering Committee, must keep the organisation informed of Performance Management System, in order to:-

- ▶ Clarify the Performance Management Strategy and make it accessible.
- ▶ Ensure strategic alignment of operations.
- ▶ Clarify and manage roles, responsibilities and expectations between the public and the municipality, between politicians and officials and amongst officials.
- ▶ Redefine the incentive structure by rewarding successes and alternatively identifying opportunities for growth, learning and development.
- ▶ Ensure that the process of developing the performance management system will be inclusive, participatory, transparent, simple and realistic, fair and objective, developmental and non-punitive.

8.1 PMS REGULATION 2001: PROCESS DESCRIPTION

COMMUNITY PARTICIPATION



- ▶ Delegation of responsibilities
- ▶ Establishing internal infrastructure
- ▶ Managing the change process

- ▶ Developing a PMS System
- ▶ Developing a PMS Framework
- ▶ Identification of stakeholders
- ▶ Creating structures for stakeholder participation
- ▶ Publication of the System
- ▶ Adoption of the System

- ▶ Management Cycle
- ▶ Planning Performance
- ▶ Performance Monitoring
- ▶ Performance Measurement
- ▶ Performance Reviews
- ▶ Performance Reporting
- ▶ Using Performance Audit Mechanisms
- ▶ Improving Performance
- ▶ Performance Actions & Timeframes
- ▶ Developing an Appropriate Performance Model

- ▶ Section 57 Employees
- ▶ Permanent Employees



9. Section 54 and 56 Employees

9.1 APPOINTMENT AND CONDITIONS OF EMPLOYMENT OF SENIOR MANAGERS

- ▶ The municipal council must have, when creating or filling a post of a senior manager, due regard to the staff establishment, report and recommendation contemplated in regulations 4(6) and (7) of the Regulations on Appointment and Conditions of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette no 37245 of 17 January 2014).
- ▶ The municipal council appoint a senior manager to any post on the approved staff establishment, no person may be appointed as a senior manager on a fixed term contract, on a permanent basis or on probation, to any post on the approved staff establishment of a municipality, unless he or she-
 - a) is a South African citizen or permanent resident; and
 - b) possesses the relevant competencies, qualifications, experience, and
 - c) knowledge set out in the Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management.
- ▶ Advertising and application of vacant posts, short list of applicants, selection panel, screening of applicants, interviews, selection and re-advertisement of posts must be done in terms of the regulations 10 – 20 of the Regulations on Appointment and Conditions of employment of Senior Managers.

9.2 MUNIMUM COMPETENCY LEVEL FOR SENIOR MANAGERS

- ▶ A person appointed as a senior manager in terms of the Regulations on Appointment and Conditions of employment of Senior Managers must comply with the minimum requirements for higher education qualification, work experience and knowledge as in terms of the Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management Act, as published under Government Notice No. 493 in the Government Gazette No. 29967 of 15 June 2007.
- ▶ The accounting officer, senior managers and chief financial officer of a municipality must meet the financial and supply chain management competency levels prescribed by regulation.
- ▶ The value of the annual budget of the municipality must be taken as equal to total operating and capital expenditure authorised in the budget, thus all municipalities with annual budgets of a value and equal to or above R500 million will apply to the City of Matlosana.

9.3 UPPER LIMITS OF TOTAL REMUNERATION PACKAGE PAYABLE TO MUNICIPAL MANAGERS AND SENIOR MANAGER

The upper limits of total remuneration package payable to senior managers is set out in terms of the Regulation on the Upper limits of Total Remuneration Package payable to Municipal Managers and Managers directly accountable to Municipal Managers, issued in terms of the Municipal Systems Act, as published under Government Notice No. 225 in the Government Gazette No. 37500 of 29 March 2014.