



PERFORMANCE MANAGEMENT POLICY

Policy Governance

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Policy Version		
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1. INTRODUCTION

Performance Management for municipalities is primarily regulated and prescribed by the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). Chapter 6 of this Act requires local government to:

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- 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 report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

Performance Management System (PMS) will assist the municipality in monitoring and tracking the implementation of its Integrated Development Plan (IDP). PMS will also lead to increased accountability, continuous learning, and informed decision making as well as providing the municipality with an early warning system of impending deviations from the plan.

The purpose of this document is to, according to the requirements of the Local Government: Municipal Systems Act, (2000) develop a performance management framework for **IKHEIS MUNICIPALITY**. This framework caters for the development, implementation and roll-out of performance management within **IKHEIS MUNICIPALITY**.

2. ESTABLISHMENT OF THE PM SYSTEM

The establishment of the !Kheis Municipality's Performance Management System is informed by the need to establish a PM system which is commensurate with its resources, best suited to its circumstances, and in line with the priorities, objectives, indicators and targets contained in the IDP; and the Performance Management System seeks to promote a performance management culture among political structures, political office bearers and Councillors and in its administration and also administer its affairs in an economical, effective, efficient and accountable manner.

In terms of the afore-going, the delegated roles with reference to the establishment of PMS are as follows:

	Delegated by	Delegated to
1	Mayor	Municipal Manager
2	Municipal manager	Performance Management Unit

3. DEVELOPMENT OF A PERFORMANCE MANAGEMENT SYSTEM

The legislation requires the Executive Mayor/Mayor to manage the development of the Municipality's PM system to reflect principles of accountability and continuous drive towards improved service delivery.

4. MONITORING AND REVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM

The development and implementation of an effective performance management system must:

- set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- set measurable performance targets with regard to each of those developmental priorities and objectives and against the key performance indicators and targets set;
- monitor performance, and measure and review performance at least once per year;
- take steps to improve performance with regard to those developmental priorities and objectives where performance targets are not met, and
- Establish a process of regular reporting to:
 - The council, other political structures, political office bearers and staff of the municipality;
 - The public and appropriate organs of state; and
 - The system applied by a municipality must be devised in such a way that it may serve as an early warning indicator of under-performance.

In IKheis Municipality, monitoring will be implemented in the following ways:

Quarter	Timeframe	Type of Review	Date of Review
1	July > September	Informal Review	October
2	October > December	Formal Review	January
3	January > March	Informal Review	April
4	April > June	Final Formal Review	July

Formal Reviews involve: documentation, taking notes of discussions, agreement on remedial action, etc.

Informal Reviews involve: at regular times (once a month) – discussions

5. POLICY PURPOSE

The purpose of this policy is to ensure that roles and responsibilities are effectively implemented within the municipal structure and to establish a process whereby the vision and goals of a municipality can be met. A Performance Management Policy provides step-by-step guidelines and standards against which the performance of a municipality and its employees can be measured and managed.

6. POLICY OBJECTIVE

The objective of this policy is to establish a set of appropriate key performance indicators for measuring performance including outcomes and impact with regards to the municipality's development priorities and objectives set out in its IDP. This policy aims to achieve the following outcomes:

- Monitor and track the progress in performance on regular basis (quarterly).
- Measure to review the performance at least once a year.
- Steps to improve performance with regards to those development priorities and objectives that was not achieved.
- Establish a process of regular reporting to the council, political structures, political office bearers, staff, public organs of the state and the Public.

7. PRINCIPLES OF THE PERFORMANCE MANAGEMENT SYSTEM

The performance management of the municipality shall be underpinned by the following principles:

- Provide the strategic direction for both the individual employee and the municipality as well as commitment to achievement of the set objectives;
- Integration and alignment with other municipal processes such as planning, budgeting and human resources;
- Encourage the involvement of all role players as well as communication to all stakeholders in its development, implementation and reviewal processes;
- Implementation and consistent application, in an equitable and fair manner to all employees;
- Promote individual and organisational responsibility and accountability on all processes;
- Ensure that poor performance is addressed as and when it arises to allow for immediate attention and continued performance improvement;
- Focus on developmental and not punitive processes that encourages the implementation of corrective measures in cases of under-performance; and
- Ensure that there is recognition and motivation of excellent performance.

8. DEFINING POLICY CONCEPTS

The following key concepts are applicable to this policy: [Defining policy concepts provides clarity of what certain words mean in relation to the policy content.]

- **"Analysis"** means a breakdown of information into components of essential features, identified components and the relationship between them.
- **"Community Participation"** means the involvement of communities and citizens in taking part in the affairs of the municipality to promote democratic and accountable governance.
- **"Evaluation"** means the systematic assessment of worth and/or merit on some object, and assessment of information to provide useful feedback about specific outcomes.
- **"Inputs"** means resources such as time, staff, material, assets, equipment and technology an organisation invest in a program.
- **"IDP"** means a five year strategic planning instrument, reflecting the needs of the communities and the strategies and objectives of the municipality in achieving its constitutional objectives.
- **"Key Performance Area"** refers to a broad area of performance, for which the incumbent will be held responsible.
- **"Key Performance Indicators"** means performance indicators set by the municipality in consultation with the community where by performance in achieving target will be measured.
- **"Legislative Framework"** means the framework of legislation and policy guidelines prescribing the adoption and implementation of performance management systems.
- **"Monitoring"** means the continuous verification of progress made towards the achievement of objectives and goals and includes the collection and analysis of data.
- **"Performance Agreement"** means Agreement to be entered into with Municipal Managers and Managers directly accountable to the Municipal Manager.
- **"Performance Management System"** means a system implemented by the municipality in terms of which performance of the municipality continuously monitored to measure progress made towards achieving KPI's
- **"Performance Reporting"** means monthly, mid-year and annual reporting on the performance of the municipality as required by legislation.
- **"Review"** means the analysis undertaken and a fixed point in time to determine the degree of which stated objectives have been reached.
- **"Service Delivery Budget Implementation Plan (SDBIP)"** means the management implementation and monitoring tool that gives effect to the integrated Development Plan and budget of the municipality.
- **"Service Delivery"** means the basic municipal service rendered to the community as contemplated in the Batho Pele White Paper.

9. LEGISLATIVE FRAMEWORK

This document is established within the framework of the following legislation and policies. Please ensure that latest legal prescripts are consulted when implementing and reviewing the policy.

- The Constitution of the RSA, 1996.
- The White Paper on Local Government.
- The Municipal Structures Act, Act 155 of 1996.
- The Municipal Planning and Performance Management Regulations, 2001.
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.
- The Municipal Financial Management Act, Act 56 of 2003.
- The MFMA Circulars.

10. POLICY TARGET AUDIENCE

For the 2015/2016 financial year, this Performance Management Policy is only applicable to Senior Managers of !Kheis Municipality: (a) Municipal Manager; (b) Manager: Corporate Services; (c) Chief Financial Officer; (d) Manager: Technical Services; and (e) Manager: Community Services.

This policy is thus concerned with the Planning, Contracting, Measuring and Monitoring, Coaching and Reviewing of the individual performance of all employees within the municipality.

11. ALIGNMENT (LINKING) OF ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT

The performance of the municipality is integrally linked to that of staff. If there is proper management of the performance of staff and employees do not perform, the municipality will still fail. It is important to link organisational performance to individual performance; and to manage both at the same time but separately.

The Performance Management Policy must clarify how the organisational and individual performance management within the municipality would be integrated to create a result orientated organisation whose individual contribution lead to organisational achievement.

In !Kheis Municipality:

- (a) Organisational Performance Management – will be locating within Corporate Services (Human Resource Management Unit); and
- (b) Individual Performance Management – will be locating within Corporate Services (Human Resource Management Unit).

12. PERFORMANCE MANAGEMENT CYCLE

Performance management is embedded within effective management principles and this process has been designed to ensure that key phases are taken into consideration when managing employee performance. The municipal financial year commences on the 1st July of each year to the 30th June of the following year. The performance management cycle comprises of the following main phases:

12.1 Performance Planning and Contracting:

This is a formal process of developing Performance Agreements, Performance Plans/Scorecards/Workplans and Personal Development Plans and contracting an employee through the signing of these documents which outlines the performance expectations and development needs to be addressed in a specific financial year. For the purpose of performance planning and contracting the following shall apply:

- Senior Managers are required to develop and sign a performance agreement, performance instrument (performance plans/scorecards/workplans) and a Personal Development Plan (PDP) jointly with their respective manager/supervisor before the commencement of the new financial year (in April-May); and
- All new employed senior managers joining the municipality should develop and sign a performance agreement, performance instrument (performance plans/scorecards/workplans) and a PDP within 60 days of employment.

12.2 Eligibility to be Contracted to Performance Management System:

It is important for the policy to stipulate the timing of application performance management system as this may create unnecessary challenges of disputes and have huge financial implications for the municipality. For the 2015/2016 financial year, this policy is applicable to senior managers (*infra*: 10) and as such the policy must be clear how the performance of various categories of employees are managed at different phases on the PMS processes in terms of eligibility to be contracted on PMS for the following employee categories:

- Senior Managers on prolonged leave like maternity leave – PM will be conducted in those quarters that the senior manager is not on maternity leave;
- Newly appointed senior managers – PM will take effect as on the starting date (period) of the senior manager;
- Employee facing disciplinary actions – PM will continue (and continue) depending the outcome of the disciplinary hearing;
- Employees in acting positions – PM will be conducted for the entire period of acting;
- Resignations – PM will end and final evaluations be conducted until resignation

It should be noted however that newly-employed senior managers who joins the municipality after mid-year may not be contracted to PMS with an expectation of receiving performance rewards at the end of the financial year. Employees will be protected against unfair assessment during the formal reviews at the end of the financial year.

12.3 COACHING AND FEEDBACK:

This is a consistent process of measuring performance and providing on-going feedback to employees on their progress towards reaching their set objectives:

- On-going monitoring provides the opportunity to assess progress and check how employees are doing and to identify and resolve any identified challenges.
- Coaching is equally important to provide feedback on areas of success as well as those requiring improvement.

12.4 REVIEWING AND APPRAISING:

Performance reviews are an on-going process of planning and monitoring performance:

- This includes formal assessment of the progress made towards attainment of the KPIs and targets in the performance instruments (plans/scorecards/workplans);
- A half-yearly performance review should be held to assess performance for the first six (6) months of the financial year and a final (year-end) review of the current financial year should be conducted after the Auditor-General has submitted his/her report to the municipality.

12.5 PERFORMANCE RECOGNITION AND REWARDING:

This is a formal process which involves the recognition and rewarding of employees who have met or exceeded the desired levels of performance expectations agreed during the planning and contracting phase.

- The recognition and rewarding of senior managers who meet performance expectations outlined in their performance plans/scorecards/workplans would be incentivised with both financial and non-financial awards to motivate excellence.

13. PERFORMANCE REVIEWS

The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 provides guidelines on how the performance reviews should be managed.

- The above guidelines stipulates that the reviews on the performance of individuals must take place quarterly;
- In managing the performance monitoring, coaching and review processes, the manager/supervisor must keep a record of the mid-year and final review sessions;
- Performance feedback must be based on the manager's/supervisor's assessment of the employee's performance;
- The manager/supervisor will be entitled to review and make reasonable changes to the provisions of the performance plan/scorecard/workplan from time to time for operational reasons on agreement between both parties;
- The manager/supervisor may amend the provisions of the performance plan/scorecard/workplan whenever the performance management system is adopted, implemented and/or amended as the case may be on agreement between both parties;
- Two formal performance reviews are compulsory and shall be conducted in a financial year; and
- In this regard Section 28 of the Regulation stipulates that the performance of the employee in relation to his or her performance agreement must be reviewed on the dates tabulated below with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

QUARTER	PROCESS	DATE
1st (July- September)	Monitoring and Coaching	October
2nd (October-December)	Mid-year Review	January-February
3rd (January- March)	Monitoring and Coaching	April
4th (April- June)	Final Formal Review	January-February

14. PERSONAL DEVELOPMENT PLANS (PDPS)

A Personal Development Plan (PDP) is a mechanism of identifying the development needs of an employee which needs to be addressed through identification and facilitation of appropriate training and development interventions in order to assist the employee to achieve the performance expectations.

15. GENERAL POLICY PROVISION

The following sections reflect the provisions for this policy:

15.1 Performance Culture

- The aim of the performance management in the municipality must include the promotion of performance culture across all levels within the municipality; and
- The Performance Management System (PMS) should assist the Municipality in administering its affairs in an economical, effective, and accountable manner.

16. PERFORMANCE MONITORING, EVALUATION AND AUDITING

It is important to ensure that the performance information contained in the performance reports of the municipality is valid, accurate and reliable; this information should be audited as part of demonstrating transparency. Auditing of performance information is one of the key elements of the monitoring and evaluation processes.

- The Performance Management System (PMS) is the key to integrate the IDP and SDBIP;
- The municipality must develop and implement some mechanism to ensure that monitoring, reporting, evaluation, review, validation and assessments are performed;
- Performance monitoring is a continuous process that runs parallel to the implementation of the IDP and SDBIP; and
- During performance monitoring, the following activities must be carried out:
- Evidence of performance has to be gathered and presented to substantiate claims of attaining (or failing to attain) the set performance targets and standards;
 - Determine the data/information to be collected in order to assess performance;
 - Determine and select the method of data/information collection, storage, verification and analysis;
 - Comparing of current performance with performance of the previous financial years and baseline indicators;
 - Each department, division/business unit and individual has the responsibility to collect relevant data, statistics and information to support the Monitoring Process.
 - Monitoring of performance should be communicated to the relevant stakeholders, including the community; and
 - Performance reports should be provided to the Municipal Council on regular (quarterly) basis.

17. PERFORMANCE MONITORING COMPONENTS

Performance monitoring approach should include the following:

- A set of appropriate KPI's measuring performance against expected outcomes and impact on the municipal development priorities;
- A set of measurable targets for each of the municipal development priorities;
- Monitor to measure performance at least quarterly;
- Despite the establishment of agreed intervals for evaluation, the employer may in addition review the employee's performance at any stage while the employment contract remains in force
- Steps to improve performance on the municipal development priorities when needed; and
- A process of regular reporting to all the relevant stakeholders such as the Municipal Council, Governance Structures, Organs of State, Staff and the Community.

18. PERFORMANCE CRITERIA

The legislative framework requires that the PMS must differentiate between general staff and managers directly accountable to the Municipal Manager or second level posts. KPA's should be developed for financial and non-financial purposes and meet prescribed requirements.

18.1 Performance Criteria for Managers

The following performance criteria must be applied for managers:

- Separate performance contract must be agreed with individuals in these positions;
- Performance contract must be based on role profiles, performance objectives & targets and aligned with the relevant KPI's;
- Performance agreements must assess the contribution made towards Key Performance Areas and (KPA's) and Core Competencies Requirements (CCR's) on a weighted basis of 80:20 respectively;
- Performance agreements must be entered into for each financial year of the municipality, or part thereof and renewed for the following year;
- Performance agreements terminate when the employments contract terminates;
- The content of valid agreements should be adjusted when the work environment alters and the content is no longer applicable;
- Performance instruments (plans/scorecards/workplans) must set the time frames within which the performance objectives and targets must be met targets must be met by employees; and
- KPIs should provide details of the evidence that is required to show that task has been met.

18.2 Performance Criteria for General Staff (Not applicable to the 2015/2016 financial year)

Deliverables of each employee must be defined in a performance development plan where the evidence required for each KPA and Each KPI is documented:

- The KPI should include what, where, how and when tasks must be completed;
- Performance evaluation must assess the contribution made towards Key Performance Areas and (KPA's) and Core Competencies Requirements (CCR's) on a weighted basis of 80:20 respectively;
- Performance of staff will be evaluated on a quarterly basis;
- Supervisors must be trained thoroughly in proper appraisal procedures;
- Supervisor must apply consistent, explicit and objectives related standards when preparing a performance appraisals;
- Audit system must be in place to ensure appraisals are unbiased;
- Problem areas must be documented;
- Time table must be established for improvement when appraisals detect sub-standard performance;
- Employees must be given a clear opportunity to respond to negative appraisals including the right to appeal against the ratings given; and

- The Municipality must be able to prove that the employees received the performance appraisal.

18.3 Determining Performance Evidence

- a) "Evidence" refers to the documents – i.e. concrete proof – that must be produced at the time of review to indicate the extent to which the employee has achieved the performance objectives and targets agreed upon during planning and contracting;
- b) The evidence of achievement is agreed upon at the same time when the KPAs, KPIs and targets are set during planning and contracting;
- c) Evidence is utilised in performance management system to ensure that:
 - The employee's performance is reviewed fairly;
 - There are no allegations of management bias in the assignment of ratings at the time of review; and
 - The work the employee has performed can be quality assured to allow for an assessment of the standard to which a KPI has been achieved.
- d) The evidence forms the basis of the feedback discussion between the manager and employee, and for it to be effective, evidence must be:
 - Indisputable (clearly reflect the facts);
 - Unambiguous (clearly reflect the achievement/non-achievement of the KPI); and
 - Concise (reviewers should not have to "wade through" piles of paper to ascertain whether the KPI has been met – rather, they should be able to tell quickly and with certainty whether the employee has met the KPI).
 - The portfolio of evidence may be subjected to a verification and validation process to ensure that such evidence meets the criteria of reliability and validity; and
 - Internal Audit shall play a role in the auditing of employee's performance evidence as part of the overall quality assurance process.

18.4 Performance Evaluation (Scoring and Rating)

- The scoring and rating of performance shall only occur at mid-year and at the end of the performance cycle, the final formal review, and or at any time during the performance cycle if the supervisor is of the opinion that it is required;
- The municipality would utilise a 5-point rating scale to for the purposes of scoring and rating the performance of employees;
- The Municipal Manager would be rated by the Executive Mayor assisted by the Performance Management Panel established as per the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006;
- The final performance scoring, ratings and all comments must be agreed to and signed off by all parties involved in the review.

18.5 What Constitute Outstanding Performance

- The municipality will develop a framework to define, in practical terms, the desired levels of performance aligned to the 5-point Rating Scale.

19. THE RATING SCALE

- The municipality will adopt a 5-point rating scale as stipulated in the municipal performance management regulations; and
- The 5-point scale shown below is used to properly determine whether the requirements of a performance indicator (KPI) and its associated target and target date have been met:

Rating	Generic Rating Descriptions
1	Unacceptable Performance: Performance does not meet the standard expected for the job. The review/ assessment indicate 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.
2	Performance Below the Required Performance Level: Performance not fully effective and is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/ assessment indicate 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.
3	Performance Meets the Required Performance Level: 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.
4	Performance Exceeds the Required Performance Level: 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.
5	Exceptional Performance Achievement: 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. Excellent performance

20. EVALUATION PANELS

For purposes of evaluating the annual performance of the municipal manager:

- a) Executive Mayor or Mayor;
- b) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;
- c) Member of the Mayoral or Executive Committee or in respect of a plenary type municipality, another member of council;
- d) Mayor and/or municipal manager from another municipality; and
- e) Member of a ward committee as nominated by the Executive Mayor or Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers:

- a) Municipal Manager;
- b) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;
- c) Member of the Mayoral or Executive Committee or in respect of a plenary type municipality, another member of council; and
- d) Municipal manager from another municipality.

- The Head: Human Resources of the municipality must provide secretariat services to the evaluation panels.
- The performance of other staff below levels of senior management will be evaluated by their respective supervisors.

21. RECOGNISING AND REWARDING PERFORMANCE

- The municipality would recognise and reward employees who meet and exceed the performance targets and obligations in their individual performance plans/scorecards/workplans;
- The performance rewards would be regulated by the municipality's policies and budgetary imperatives;
- Evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- In accordance with the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006; a performance bonus ranging from 5% to 14% of the all-inclusive cost-to-company remuneration package or criteria recommended by the Remuneration Committee and the Mayoral Committee/EXCO and approved by the Municipal Council may be paid to an employee in recognition of outstanding performance;
- Fixed-term contract employees and contractors and any other individuals shall be entitled to receive a performance bonus commensurate with the final rating and scores obtained during the final performance review at the end of the performance year;
- Permanent employees who fulfil obligations in their individual performance instruments (plans/scorecards/workplans) and comply with all the requirements of the municipality's Performance Management Policy shall be entitled to performance incentives recommended by the Remuneration Committee and the Mayoral Committee/EXCO and approved by the Municipal Council;

- To ensure that performance rewards are applied fairly and equitably in the municipality, all rewards have to be recommended by the Remuneration Committee, signed-off by the Mayoral Committee/EXCO and approved by the Municipal Council;
- Appropriate rewards as approved by the Municipal Council would be paid to deserving employees (those with a performance outcome/score/rating of 3 and above) within 60 days after such approval and subject to affordability.

22. PAYMENT OF PERFORMANCE BONUSES

In accordance with regulation 32 of the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006; a performance bonus, based on affordability, may be paid to the employee, after:

- a) The annual report for the financial year under review has been tabled and adopted by the municipal council;
- b) An evaluation of performance in accordance with the provisions of regulation 23; and
- c) Approval of such evaluation by the mayoral committee as a reward for outstanding performance.

23. MANAGEMENT OF PERFORMANCE OUTCOMES

- Every employee should be informed of the results of the performance reviews in writing;
- The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- An employee, who is not satisfied with the outcome of his /her assessment, may refuse to sign it;
- The employee's supervisor must clearly indicate the appeals route for an employee who is not satisfied with the outcome of his /her assessment;
- At any appeal against the outcome of his /her assessment, the employee may be assisted by a representative;
- In the case of persistent unacceptable performance recorded identified during the reviews, the municipality shall:
 - provide appropriate performance counselling, systematic remedial or developmental support to assist the employee to improve performance; and
 - after and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the municipality would deal with poor performance within the context of principles of fairness espoused in the LRA, 1995. Schedule 8 of the Labour Relations Act (The Code of Good Practice: Dismissal) which sets out the procedure for dismissing an employee for poor work procedure.

24. MANAGING POOR PERFORMANCE

The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance:

- A scenario where employees only find out about gaps/challenges in their performance during the mid-year or final reviews should be prevented at all times;
- Disciplinary processes should be adapted to accommodate measures to address poor performance; and
- In the event that an employee is failing to his/her performance objectives the following guideline should be followed.

24.1 Addressing Poor Performance

In addressing Poor Performance, the following steps should be followed:

- Ensure the employee is fully aware of their job descriptions and requirements;
- Agree performance plan based on KPA's and KPI's;
- Provide adequate training, instructions and coaching; and
- Provide regular feedback on improvement.

24.2 Poor Performance Counselling

In instance where poor performance does not improve performance counselling should be applied:

- Employee's direct manager is responsible for conducting any formal counselling session for poor performance;
- Address the reasons why employee is failing to meet performance standards;
- Agree on personal Performance Development Plan that assist employee to improve performance;
- Inform employee of possible consequences of not complying with performance standards; and
- Document all measures taken.

24.3 Corrective Action

- Corrective action should be considered when an employee, after reasonable time of counselling still continues to perform unsatisfactory notwithstanding appropriate evaluation, instruction and guidance; and
- Formal disciplinary steps may be implemented, including a disciplinary hearing and corrective action through a series of graduated disciplinary measures considered.

25. DISPUTE RESOLUTION AND GRIEVANCE PROCESS

- The provisions of the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 shall guide the management of any dispute arising from performance reviews for the Municipal Manager and Managers directly reporting to the Municipal Manager; and
- The municipality will establish dispute resolution mechanisms to deal with any disputes arising from the performance outcomes of employees on staff levels not employed as a Municipal Manager or Managers directly reporting to the Municipal Manager.

26. ROLES AND RESPONSIBILITIES

Effective performance management relies on the quality of the relationship and understanding between role players in PMS, and in particular the line manager and direct report. To facilitate this relationship and understanding, the following must apply:

- Executive / Mayor
- Municipal Manager
- Council
- Staff
- Ward Committee / Community
- IDP Committee
- Internal Audit Committee
- Performance Audit Committee
- Auditor General

Stakeholders	Planning	Implementation	Monitoring & Analysis	Reviewing	Reporting
Executive Mayor	1. Facilitate development of IDP and PMS	1. Receive monthly reports on implementation of PMS	1. Review performance of MM quarterly	1. Report on organizational performance to the Council	1. Facilitate development of IDP and PMS

Municipal Manager	<ol style="list-style-type: none"> 1 Assign overall planning of PMS 2 Manage development of departmental managers performance management systems, 3 Manages development of subordinate's performance management systems. 	<ol style="list-style-type: none"> 1. Oversee implementation of PMS alignment with other systems. 2. Manage implementation of subordinate performance measurement systems. 	<ol style="list-style-type: none"> 1. Evaluate reports from HODs. 2. Propose adjustment on the basis of report. 3. Identify underperformance in respect of department and employee performance. 	<ol style="list-style-type: none"> 1. Use audit report to evaluate performance. 2. Assess performance according to plans. 3. Propose measures for improvement. 4. Assess subordinates performance quarterly. 	<ol style="list-style-type: none"> 1. Submit Performance reports to: <ul style="list-style-type: none"> -Council -Council Committee -Community, on quarterly basis.
JP COMMITTEE	<ol style="list-style-type: none"> 1. Co-ordinate and manage PMS 2. Report to Council on PMS 3. Assign PMS responsibility to MM 			<ol style="list-style-type: none"> 1. Receive reports from internal audit committee. 2. Make recommendations based on the reports. 	<ol style="list-style-type: none"> 1. Receive quarterly and annual reports and make recommendations to management.
Staff	<ol style="list-style-type: none"> 1. Participate in developing Departmental plans. 2. Participate in developing own performance measurement 	<ol style="list-style-type: none"> 1. Execute individual plans 	<ol style="list-style-type: none"> 1. Report on performance to line managers. 	<ol style="list-style-type: none"> 1. Participate in review of departmental plans and own performance and make necessary adjustment. 	<ol style="list-style-type: none"> 1. Submit reports on performance to line managers. 2. Receive reports on own performance from HODs.
Council committee	<ol style="list-style-type: none"> 1. Make inputs in divisional plans 2. Responsible for public participation 			<ol style="list-style-type: none"> 1. Review divisional plans 2. Participate in quarterly review of committees. 	<ol style="list-style-type: none"> 1. Receive departmental reports. 2. Receive performance reports from MM. 3. Make recommendations to council.

STAKEHOLDERS	PLANNING	MONITORING & EVALUATION	REVIEWING	REPORTING
Ward Committee Community Performance Management Committee	Consult constituency on PMS (KPI/Targets). 1. Participate in the development of KPIs, Targets and PMS.	-	1. Receive quarterly reports. 2. Make inputs on quarterly reports. 1. Receive quarterly/yearly reports 2. Review performance of council and make submissions if necessary.	1. Submit quarterly reports to MM. 2. Submit reports to Performance Audit Committee. 1. Make inputs based on quarterly/ annually reports.
Internal Audit Committee		1. Develops reporting procedures.	Assess: 1. Functionality of PMS. 2. PMS complies with the Act. 3. Reliability in measuring performance. 4. Audit performance measurement of municipality.	1. Submit reports to performance audit committee,

STAKEHOLDER	MONITORING & EVALUATION	REVIEWING	REPORTING
Performance Audit Committee	1. Develop reporting procedures and formats. 2. Develop code of conduct for its members.	1. Receives reports from the internal audit committee. 2. Make comments on reports.	1. Submit reports to the council.
Auditor General	1. Ensures legal compliance.		1. Receives annual reports. 2. Represented in the council when annual report is adopted.

27. MANAGING UNACCEPTABLE BEHAVIOUR

Non-compliance to assigned roles and responsibilities contained within this Policy or unacceptable conduct during the execution of this policy constitutes unacceptable behaviour which may need to be addressed in accordance to the Disciplinary Code and Procedure policies.

28. POLICY REVIEW

The provisions of this policy may be reviewed on an annual basis in consultation with the relevant stakeholders to ensure the continued relevance and effectiveness.

29. TECHNICAL SYSTEMS

Technical systems may be used to evaluate performance of individuals and the municipality.

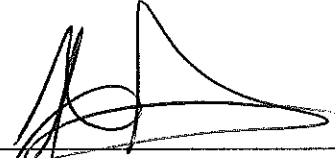
Performance data must be of suitable quality that allows validation of the data.

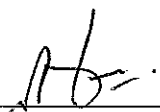
Only validated data must be included in a technical system that measures performance.

** For the 2015/2016 financial year, an electronic system will not be used, because PM is still in its development stages at !Kheis Municipality.

30. DATA RECORDS AND REPORTING

Performance data must be collated, analyzed to compare existing trends within the municipality. The results will be communicated to develop shared improvement strategies that can enhance performance.



H. T. Scheepers: Municipal Manager

Cllr P Vries: Mayor

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