




**ORGANISATIONAL
PERFORMANCE MANAGEMENT SYSTEM
POLICY/ FRAMEWORK
BUSHBUCKRIDGE LOCAL MUNICIPALITY**

Organizational Performance Management Policy Framework

Bushbuckridge Local Municipality
OPMS Policy/Framework

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ACRONYMS

BLM	-	Bushbuckridge Local Municipality
CCRs	-	Core Competency Requirements
COGTA	-	Department of Cooperative Governance and Traditional Affairs
EXCO	-	Executive Committee
GKPIs	-	General Key Performance Indicators
IDP	-	Integrated Development Plan
HOD	-	Head of Department
KFA	-	Key Focus Area
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
MEC	-	Member of the Executive Council
MFMA	-	Municipal Finance Management Act
MSA	-	Municipal Systems Act
P A	-	Performance agreement
PDP	-	Personal Development Plan
PES	-	Performance Evaluation System
PMS	-	Performance Management System
PP	-	Performance Plan
SBU	-	Strategic Business Unit
SDBIP	-	Service Delivery and Budget Implementation Plan

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1. INTRODUCTION

This document provides a framework which serves as the guiding policy for the establishment of a Performance Management System in Bushbuckridge Local Municipality for organisational. The review process came as a result of changes taking place in the operating environment of the organisation, and also to ensure that performance management system in the municipality adapts to these changes that impact on the business of service delivery.

While some success has been achieved regarding performance, the policy remains to be effectively implemented over a period of time in order to improve performance management in the municipality. One of the most daunting tasks is to gain buy-in from all employees regarding the benefits of establishing a performance management system. A change management strategy, institutional structures and leadership remain very critical to the success of establishing a sound performance management system.

This review focused on all key aspects of performance management legislation and regulations and the implications thereof, the state of performance management system implementation in the context of a new vision of government which has placed development planning and monitoring and evaluation high on its agenda. This framework will continue to guide policy implementation regarding the legal requirements of the municipal performance management system that must be fulfilled.

2. STRUCTURE OF THE POLICY FRAMEWORK

This document constitutes six sections of the Performance Management System policy framework for Bushbuckridge Local Municipality (BLM). It outlines the processes the municipality is following in establishing its performance management system (PMS) including performance measures, corresponding targets, reporting and improving performance.

2.1 DEVELOPING THE PERFORMANCE MANAGEMENT SYSTEM

This section outlines how the performance management system is being developed with its key components. The municipality has identified internal and external stakeholders for its system, structures that support stakeholder participation, a performance management model being used municipality, and how the system is published and adopted by Council.

2.2 IMPLEMENTING THE PERFORMANCE MANAGEMENT SYSTEM

This section outlines the approach BLM uses in identifying priority issues, developing strategic objectives and performance measures, setting performance targets, reviewing performance measures and targets, the municipal monitoring framework (for measuring performance) and how the performance management model is used as a monitoring framework.

2.3 PERFORMANCE MANAGEMENT MONITORING AND REVIEW

This section highlights key processes for monitoring and reviewing of the municipal performance management system. The section covers the performance management system planning cycle, implementation and review of the system, institutional review mechanisms, and the approach to performance management review, improving performance, reporting on performance, publication of performance reports, public feedback and hearings and using performance audits mechanism.

3 LEGISLATIVE AND REGULATIONS CONTEXT

Establishing a performance management system in local government is guided by a number of legislation and regulations. This chapter discusses the legislation and regulations in brief by indicating specific sections that have a significant impact on performance management in local government.

The White Paper on Local Government (1998) states that integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. This enables a municipality to focus on priorities within an increasingly complex operating environment and diverse set of demands, and to direct resource allocations and institutional systems to a new set of development objectives.

The White Paper on Local Government proposed Performance Management System (PMS) as an essential tool that would enable municipalities to:-

- (a) Set clear and measurable indicators for development priorities objectives and projects identified in the during the integrated development planning process;
- (b) Regularly monitor and review implementation of projects contained in the Integrated Development Plan (IDP);
- (c) Regularly report on performance to the community and other stakeholder; and
- (d) Define processes for performance improvement.

This policy framework is developed in the context of the following legislation:-

- (a) Local Government: Municipal Systems Act, 2000 as Amended;
- (b) Local Government: Municipal Planning and Performance Management Regulations, 2001;
- (c) Local Government: Municipal Finance Management Act, 2003; and
- (d) Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable To Municipal Managers, 2006.
- (e) Constitution of South Africa, (constitution of 1994) section ,
- (f) Labour relation Act (Act 66 of 1995 as amended)
- (g) Skills development Act (Act No 1998)

3.1 MUNICIPAL SYSTEMS ACT

The Local Government: Municipal Systems Act, 2000 as Amended, requires municipalities to:-

- (a) Promote a culture of performance management among their political structures, political office bearers councillors and administration;
- (b) Administer their affairs in an economic, effective, efficient and sustainable manner;

- (c) Establish mechanisms to monitor, and review its performance management system;
- (d) Set appropriate key performance indicators as a yard stick for measuring performance, including outcomes and impact;
- (e) Set measurable targets with regards to each of those development priorities and objectives identified the Integrated Development Plan (IDP);
- (f) Establish processes and systems to correct organizational underperformance;
- (g) Establish a process of regular reporting to – council, other political structures, political office bearers, members of staff, communities and appropriate organs of state;
- (h) Subject the results of performance measurements to auditing processes conducted by the internal audit unit and the office of the Auditor General; and
- (i) Prepare an annual report for each financial year reflecting on – municipal / service provider’ performance, development and service delivery priorities for the next financial year and measures taken / to be taken to improve performance.

3.2 MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS

Local Government: Municipal Planning and Performance Management Regulations (2001):- The Minister responsible for local government through regulations prescribed the General Key Performance Indicators (GKPIs). Municipalities are required to annual report on these GKPIs. These indicators focus on:-

- (a) Basic Service Delivery;
- (b) Local Economic Development;
- (c) Municipal Transformation;
- (d) Financial Viability; and
- (e) Good Governance and Public Participation.

3.3 MUNICIPAL PERFORMANCE REGULATIONS FOR MUNICIPAL MANAGERS

Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006:- In order to ensure that organisational performance is properly linked to individual performance, the Minister responsible for Local Government¹ (now Department of Cooperative Governance and Traditional Affairs - COGTA) published the Local Government: Municipal Performance Regulations for section 56 employees. These regulations seek to:-

- (a) Provide a uniform framework for governing the relationship between the employee and the employer;
- (b) Entrench a culture of improved performance;
- (c) Set uniform standards to monitor and improve municipal performance;
- (d) Provide principles for managing and rewarding performance; and
- (e) Proactively identify performance barriers and provide targeted support.

3.4 MUNICIPAL FINANCE MANAGEMENT ACT

Local Government: Municipal Finance Management Act, 2003:- The accounting officer of a municipality must by 25 January of each year:-

- (a) assess the performance of the municipality during the first half of the financial year taking into account:-
 - i. the municipality's service delivery performance during the first half of the financial year, and service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - ii. The past year's annual report and progress on resolving problems identified in the annual report.
- (b) Submit a report on such assessment to - the mayor of the municipality; the national treasury and relevant provincial treasury.

3.4.1 MUNICIPAL SYSTEM ACT, Act No 32 of 2000

Local Government municipal systems act 32 of 2000 Section 46 (1) stipulates that:
A municipality must prepare for each financial year a performance report reflecting.

- (a) The performance of the municipality and each external service provider during that financial year
- (b) A comparison of the performance referred to in paragraph (a) with targets set for and a performance in the previous financial year and measures taken to improve performance.
- (c) Measure taken to improve performance.

Local Government: Municipal Systems Act section 39 stipulate that the Executive Committee or Executive Mayor of the municipality must:

- (a) Manage the development of the municipality's performance management system.
- (b) Assign responsibility in this regards to the municipal manager, and
- (c) Submit the proposed system to the municipal council for adoption.

Section 40 stipulate that municipality must establish mechanism to monitor and review its performance management system.

4 PERFORMANCE MANAGEMENT SYSTEM PROCESS SET-UP

This section outlines the necessary institutional structures and arrangements required to establish a performance management system in Bushbuckridge Local Municipality. This includes delegation of responsibilities, roles and responsibilities of role players and stakeholders, internal structures and the need for a change management programme to promote a performance management culture in the municipality.

4.1 DELEGATION OF RESPONSIBILITIES

The Local Government: Municipal Systems Act (2000) places the responsibility of establishing a performance management system on the Executive Mayor. The act also allows the Executive Mayor to delegate the responsibility of establishing a PMS

to the Municipal Manager as the head of the administration. In establishing a performance management system of the municipality, the municipal manager shall establish a structure that will:-

- (a) Communicate and raise the awareness and significance of developing and implementing a PMS in the municipality;
- (b) Ensure understanding and gain buy-in amongst all the stakeholders in the municipality; and
- (c) Ensure coordination in the development, implementation and maintenance of the municipal PMS
- (d) Assess the performance of the managers directly reporting to him/her as per the PMS cycle.

The following table shows the role players and stakeholders who play a significant contribution in the management of the PMS. It also outlines key processes, responsible persons and timeframes that this municipality follows in managing its performance.

4.2 ROLE PLAYERS AND STAKEHOLDERS

PROCESS	STRUCTURES FOR CONSULTATION	RESPONSIBLE PERSONS	TARGET DATE
Performance Planning	<ul style="list-style-type: none"> • IDP Structures • PMS Task Team • Mayoral Committee • Management • Local Labour Forum 	<ul style="list-style-type: none"> • Ward Councillors • Municipal Manager • PMS Manager 	During the development or review of the IDP
Performance assessments	<ul style="list-style-type: none"> • Management • Internal Audit • Audit committee 	<ul style="list-style-type: none"> • Municipal Manager • MMC's • Audit committee 	July –Sept (October) Oct- Dec(January) Jan- March

Performance Measuring	<ul style="list-style-type: none"> • IDP Structures • PMS Task Team • Mayoral Committee • Management • Local Labour Forum 	<ul style="list-style-type: none"> • Ward Councillors • Municipal Manager • PMS Manager 	(April) Apr- Jun (July) During the development or review of the IDP
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PROCESS	STRUCTURES FOR CONSULTATION	RESPONSIBLE PERSONS	TARGET DATE
Performance Monitoring	<ul style="list-style-type: none"> • IDP Structures • PMS Task Team • Mayoral Committee • Management • Local Labour Forum 	<ul style="list-style-type: none"> • Ward Councillors • Municipal Manager • PMS Manager 	Continuously
Performance Reviewing	<ul style="list-style-type: none"> • Council • PMS Task Team • Performance Audit Committee • Internal Audit Unit 	<ul style="list-style-type: none"> • Municipal Manager • COGTA • Auditor General 	Quarterly <ul style="list-style-type: none"> • July – Sept. • Oct. – Dec. • Jan. – March • April - June
Performance Reporting	<ul style="list-style-type: none"> • Council • Performance Audit Committee • Internal Audit Unit • PMS Task Team 	<ul style="list-style-type: none"> • Municipal Manager • PMS Manager • COGTA • Auditor General 	Quarterly and annually <ul style="list-style-type: none"> • July – Sept. • Oct. – Dec. • Jan. – March • April – June

4.3 THE ROLE OF MUNICIPAL MANAGER

Municipal Manger's role in PMS includes:

- Utilising the PMS process to assess the performance of managers directly reporting to him/her.
- To monitor the departmental performance and monitor performance improvement utilising management meetings.
- Encourage reinforcement of good performance with appropriate reward system using the PMS framework reward system.
- Train, coach and develop managers directly reporting to him/her
- Ensure that poor performance is dealt with in accordance with HR policies and procedures.
- The Municipal Manager will be responsible to monitor and evaluate the implementation and recommendations of the assessment of section 56.
- The municipal manager must submit the reviewed and consolidated reports to council before or on the 30th day of the month after the end of every quarter.

4.4 MUNICIPAL INTERNAL STRUCTURE

In view of the strategic nature of PMS and the fact that the responsibility of establishing the system is delegated to the municipal manager, this function is coordinated from the municipal manager's office. In this regard a PMS Manager has been tasked with the following responsibilities:-

- (a) Setting up of institutional arrangements, processes and systems for the establishment of the system;
- (b) Developing a performance measurement framework for the municipality;
- (c) Developing a monitoring framework for the municipality;
- (d) Developing reporting framework for the municipality;
- (e) Developing a performance review framework for the municipality; and
- (f) Compiling quarterly and annual reports for the municipality.

4.5 CHANGE MANAGEMENT AND COMMUNICATION

When introducing a performance management system, it became apparent to create awareness of and understanding for the need of performance management in the municipality. Understanding the principles that govern the establishment and use of the system was equally essential for officials and stakeholders.

Management and leadership are continuously seeking ways that will ensure performance management establishes a culture of accountability in the municipality which will assure communities and stakeholders of the commitment to good governance by the administration to Council, line functions to management and of employees to the organisation when delivering services.

Part of the municipality's communication strategy is to raise awareness and inform internal and external stakeholders on the objectives of performance management.

The change management programme seeks to:-

- Make change happen by mobilising the organisation.
- Clarify and manage roles, responsibilities and expectations between the public and the municipality, between politicians and officials and among officials.
- Communicate these roles, responsibilities and expectations within the organisation and to the public.
- Deepen democracy by encouraging public participation through the communication of performance information and the creation of appropriate mechanisms to hold the council accountable in the periods between elections.
- Create a mechanism for efficient decision-making on the allocation of resources
- Introduce a diagnostic tool that indicates that the municipality is doing things right and doing the right things.

- Redefine if necessary the incentive structure by rewarding successes and alternatively identifying opportunities for growth, learning and development.
- Ensure that the process of developing the system will be inclusive, participatory, transparent, simple and realistic, fair and objective, developmental and non-punitive.

5 DEVELOPING THE PERFORMANCE MANAGEMENT SYSTEM

The performance management system being developed in BLM focuses on both organisational and employee performance. This section outlines the approach within which the performance management system processes are being undertaken. The PMS Manager and the PMS Task Team plan on how the processes for instituting the system are managed within the provided framework and required policies and legislation.

5.1 INTERNAL AND EXTERNAL STAKEHOLDERS

The following stakeholders and institutional structures, with their roles and responsibilities, were identified as key players to facilitate the development of the municipal performance management system.

STAKEHOLDER	ROLE, RESPONSIBILITIES AND/OR EXPECTATIONS
Minister of Cooperative Governance & Traditional Affairs	In terms of section 48(1) of the Act the Minister must: <ul style="list-style-type: none"> • Annually compile and submit to Parliament a consolidated report of local government performance in respect of the general KPIs. • Publish the report in the Government Gazette
MEC for Cooperative Governance & Traditional Affairs	In terms of section 47 of the Local Government: Municipal Systems Act, 2000 <ul style="list-style-type: none"> • The MEC for COGTA must annually compile and submit to the provincial legislature and the Minister of COGTA a consolidated report on the performance

	<p>of municipalities in the province.</p> <ul style="list-style-type: none"> • The MEC for COGTA must also publish the report in the Provincial Gazette and submit a copy of the report to the National Council of Provinces
<p>Auditor General</p>	<p>In terms of section 45(b) of the Act the AG must annually audit the results of performance measurements in terms of section 41(1)(c) of the Act</p>
<p>Communities includes: Civic Organisations; Non-Governmental Organisations (NGOs); Businesses; Community Based Organisations</p>	<ul style="list-style-type: none"> • Consultation on the needs and priority issues • Consultation in the development of the long term vision for the municipality • Influence the choice of indicators and setting of targets • Monitor and “audit “performance against commitments • Consultation during the review of municipal performance and suggest new indicators and targets

STAKEHOLDER	ROLE, RESPONSIBILITIES AND/OR EXPECTATIONS
<p>Council: Executive Mayor; Mayoral Committee</p>	<ul style="list-style-type: none"> • Play the leading role in giving strategic direction and developing strategies and policies for the organisation • Manage the development of PMS • Identify indicators and set targets • Communicate the plan to other stakeholders • Monitor municipal performance • Commission audits of performance where necessary • Conduct major reviews of municipal performance • Determining where goals have or have not been

	met, what the causal reasons are and to adopt response strategies
Portfolio Committees	<ul style="list-style-type: none">• Facilitate the development of a long term vision• Develop strategies to achieve vision• Identify priorities• Adopt indicators and set targets• Monitor municipal performance• Review municipal performance from time to time• Review the performance of the Mayoral Committee
Management: Municipal Manager; Senior Managers and Line Managers	<ul style="list-style-type: none">• Provide strategic direction and develop strategies and policies• Manage the development of the IDP• Identify realistic indicators and set targets• Communicate with stakeholders• Manage the implementation of the IDP & PMS• Regularly monitor the implementation of the IDP & PMS
Management: Municipal Manager; Senior Managers and Line Managers	<ul style="list-style-type: none">• Measure performance against agreed indicators & targets• Propose response strategies to Mayoral Committee or council• Conduct reviews of team performance against plan
Employees	<ul style="list-style-type: none">• Align personal goals and plan with the organisational plan• Implement the IDP & PMS and achieve the personal plan• Monitor own performance continuously• Participate in review of own performance• Participate in the review of organisational performance

STAKEHOLDER	ROLE, RESPONSIBILITIES AND/OR EXPECTATIONS
Local Labour Forum	<ul style="list-style-type: none"> • Contribute to the strategic direction and developing of long-term vision for the municipality • Contribute to the development of the IDP • Monitor and audit the performance of the organisation, especially from a labour perspective • Participate in the public review of municipal performance
Performance Audit Committee	<ul style="list-style-type: none"> • Must review quarterly reports • Review and recommend on the municipality's PMS • Submit an audit report to the Council at least twice year
Social Partners: Public and Private Partners; Service Providers	<ul style="list-style-type: none"> • Review the KPIs set which for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement

5.2 STRUCTURES FOR STAKEHOLDER PARTICIPATION

In order for the municipality to ensure meaningful participation of all stakeholders in the development of its PMS consistent with the legislation, the following are critical to this effect:-

- Ward Committees
- IDP Steering Committee
- IDP Representative Forum
- National and provincial departments

- Media and publication agencies

5.3 PERFORMANCE MANAGEMENT MODEL

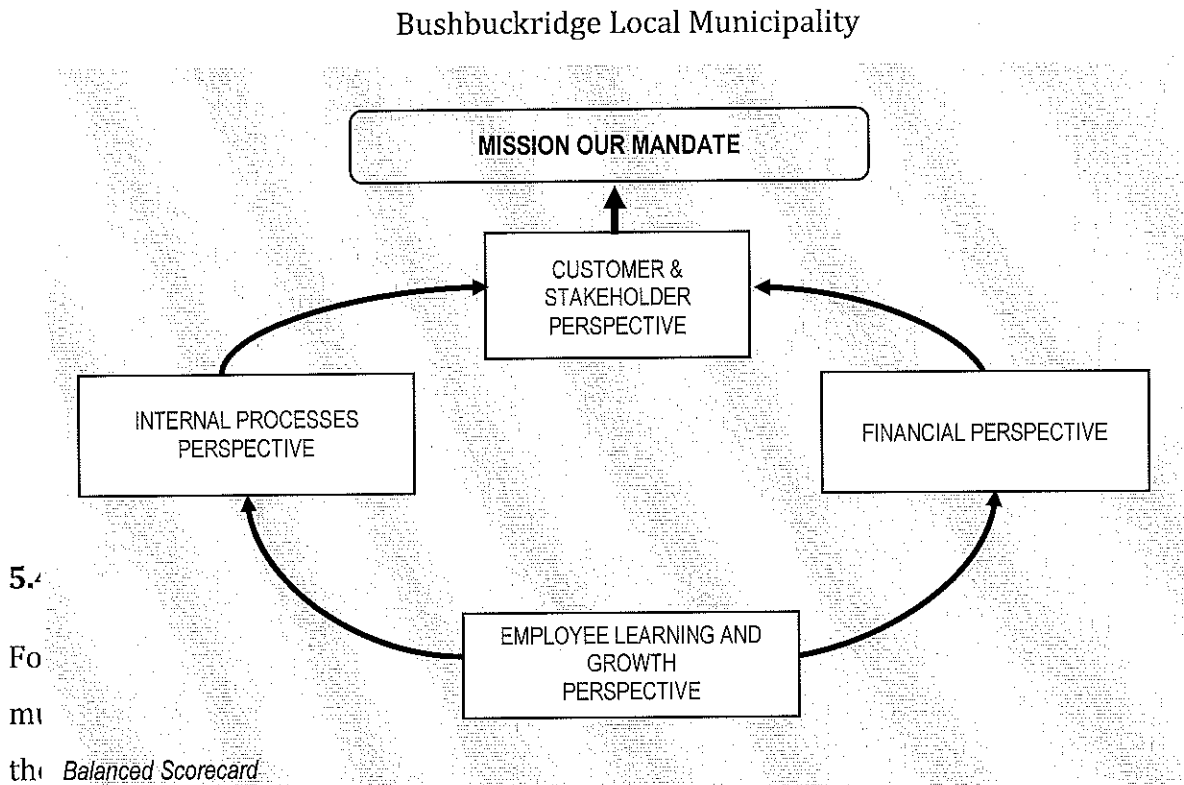
The municipality adopted the Balanced Scorecard as its performance management model. The Balanced Scorecard has proved to be the most popular performance and strategic management tool used by both public and private organisations. The benefits of implementing the Balanced Scorecard are that it brings strategic focus and direction to the organisation, improves governance and accountability, promotes alignment and transparency, and improves management effectiveness.

An organisational scorecard was designed according to the service delivery indicators and perspectives of the IDP and SDBIP. The organisation scorecard remains to be cascaded to all levels of the municipality that is departments, business units, teams and individuals. The objective of cascading the scorecard is to achieve synergy across the municipality, maximise internal business process efficiencies (e.g. supply chain, information technology, human resources, etc), and maximise efficient allocation of resources (financial and human) across the business entity.

The design approach of the Balanced Scorecard was customised to meet the needs of the municipality. With an emphasis on the “balanced” the municipal Scorecard follows the traditional design perspectives promulgated by Kaplan and Norton, Financial, Customer, Internal Processes and Learning & Growth.

- **Customer and Stakeholder Perspective** – managers need know if the municipality is meeting the needs of communities. They must determine the answer to the question: Is the municipality delivering the services the community needs? Managers must also know if the municipality is achieving its service delivery mandate by answering the question: Is the municipality contributing towards the developmental needs of the country?
- **Financial Perspective** – Managers need to focus on how to meet service delivery needs in an economic, efficient and effective manner. They must answer the question: Is the service delivered at a good price or cost?

- **Internal Processes Perspective** – Managers need to focus on those critical operations that enable them to satisfy the community and stakeholders. Managers must answer the question: Can the municipality improve upon a service by changing the way a service is delivered?
- **Employee learning and Growth Perspective** – An organisation’s ability to improve and meet citizen demands ties directly to the employees’ ability to meet those demands. Managers must answer the question: Is the municipality maintaining technology and employee training for continuous improvement?



developed a mechanism of ensuring that public comments are incorporated into the system. Which is the use of suggestion boxes in all municipal satellites office and head office.

5.5 ADOPTION OF THE SYSTEM

Following incorporation of the public comments into the system the PMS Task Team prepares the final draft for submission to Council. Council then adopts the system when it is satisfied that the process was handled in accordance with the legislation, especially the regulations governing the nature of the system.

Performance Management Regulations (Chapter 3, Regulation 8 requires that – a performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan.

6 IMPLEMENTING THE PERFORMANCE MANAGEMENT SYSTEM

6.1 IDENTIFICATION OF PRIORITY ISSUES

The IDP process and the performance management process are seamlessly integrated. The IDP fulfils the planning stage of performance measurement, and performance management fulfils the implementation of the IDP process through monitoring and evaluation.

The IDP will identify the service delivery priorities and objectives, internal transformation strategies, and projects that contribute to the achievement of the above objectives. These priorities are essentially the issues that the municipality has pronounced to focus on in order of addressing the needs of the community. Priorities are clustered into the following key performance areas, which represent the broad development mandate of local government:–

- (a) Basic Service Delivery;
- (b) Local Economic Development;
- (c) Municipal Institutional Development and Transformation;
- (d) Municipal Financial Viability and Management; and
- (e) Good Governance and Public Participation.

6.2 DEVELOPING STRATEGIC OBJECTIVES

After identifying priorities for the year, Council identifies areas of focus in line with the strategic performance areas. This process begins with an annual retreat and strategy session during the IDP processes. The annual retreat provides Council and management to agree on the strategic objectives for the period. Strategic objectives are then clustered into local government key performance areas. Once the strategy for the year is finalised, employees start to work on the plan to implement as part of the IDP.

This process ensures that all priorities of the IDP are translated into a set of clear and tangible objectives. The senior management facilitates the processes of ensuring that the strategic objectives are realistic, tangible, measurable and unambiguous.

In setting objectives, the municipality:-

- (a) Carefully considers the performance results desired
- (b) Reviews the precise wording and intention of the objectives
- (c) Avoids overly broad result statements
- (d) Is clear about the scope and nature of change desired
- (e) Ensures that objectives are outcome and impact focused

6.3 DEVELOPMENT OF PERFORMANCE MEASURES

The Local Government: Municipal Systems Act requires municipalities as part of establishing a performance management system to define performance measures or key performance indicators in terms of input, output and outcome measurements. The development of performance measures forms the basis for establishing a standard system on monitoring and reporting. In this instance, performance measures are important for:-

- (a) Providing a common framework for data gathering, measuring, and reporting;
- (b) Creating synergy across the various Strategic Business Units (SBUs) and divisions;

- (c) Ensuring standardisation of a feedback mechanism in planning and implementation;
- (d) Assisting in the policy and programmatic review process; and
- (e) Focusing the organisation on strategic and priority areas.

In identifying indicators, the municipality considers the priorities and objectives as set out in the IDP. In setting performance measures, the municipality seeks to ensure that communities are involved through the IDP structures. Key Performance Indicators are set for all administrative units and employees.

The municipality will develop the following types of indicators according to the Performance Management Regulations (Chapter 3) Regulation 9: *Setting Key Performance Indicators*. Indicators or performance measures will be developed in respect of each of the development priorities and objects referred to in section 26(c) of the Municipal Systems Act, (Act no. 32 of 2000).

6.4 PLANNING FOR PERFORMANCE

The planning undertaken in the Integrated Development Planning process in fact fulfils the planning stage of performance management. Performance management then translates into the management, monitoring and evaluation of the IDP implementation process. The planning stage entails the setting of priorities and objectives as follows:

- Setting priorities

Priorities are essentially the issues that the municipality pronounces to focus on in order of importance to address the development needs and challenges identified in the municipal area. The priorities may be clustered into the following key performance areas, which represent the broad developmental mandate of local

government:

- Infrastructure and services
 - Social and economic development
 - Institutional transformation
 - Good governance
 - Financial management
 - Communicate with stakeholders (public participation)
- Setting Key Performance Indicators (KPI's)

Indicators are critical dimension in performance management in that they are the measurements that tell whether performance goals and objectives are being met or not. They can be used to translate complex performance concepts into simple, operational, measurable variables and to create a common framework for gathering, measuring and reporting performance data.

- **Baseline indicators:** These indicators measure conditions before a project or programme is implemented.
- **Input Indicators:** These indicators measure what it costs the municipality to purchase the essentials for producing desired outputs (economy), and whether the municipality achieves more with less, in resource terms (efficiency) without compromising quality. The economy indicators include the amount of time, money or number of people it takes the municipality to deliver a service.
- **Output Indicators:** These indicators measure whether a set of activities or processes yield the desired products – effectiveness indicators (usually expressed in quantitative terms). These indicators relate to programme activities or processes.

- **Outcome Indicators:** These indicators measure the quality as well as the impact of the products in terms of the achievement of the overall objectives. In terms of quality, they measure whether the products meet the set standards in terms of the perceptions of the beneficiaries of the service rendered. In terms of impact, they measure the net effect of the products or services on the overall objective. Outcome indicators relate to priority issues or programme objectives.

The performance management system will incorporate the General Key Performance Indicators as prescribed in terms of section 43 of the Municipal Systems Act, (Act no. 32 of 2000) and Performance Management Regulations, Regulation 10 General Key Performance Indicators.

The General Key Performance Indicators are:-

- Percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- Percentage of households earning less than R--- per month with access to free basic services
- Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's Integrated Development Plan
- Number of jobs created through municipality's local economic development initiatives including capital projects
- Number of people from Employment Equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan.
- The percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan
- Financial viability: Debt Coverage; Cost Coverage and Service Debtors to Revenue

6.5 SETTING PERFORMANCE TARGETS

According to Performance Management Regulations (Chapter 3, Regulation 12), a municipality must, for each financial year set performance targets for each of the key performance indicators set by it. A performance target set in terms of sub-regulation (1) must be practical and realistic. It must measure the efficiency, effectiveness, quality and impact of the performance of the municipality. It must also identify administrative components, structures, bodies or persons for whom a target has been set.

Performance targets are the planned level of performance or the milestones that the municipality sets for itself for each indicator identified. The municipality still has to identify baseline targets for each indicator at the start of the period. In setting targets, it is important to know how the organisation is performing at the current moment.

The PMS Task Team through consultation with all stakeholders facilitates processes of ensuring that the targets are realistic, measurable, commensurate with available resources, and capacity. The municipality's political leadership gives a clear direction on the targets in order to address the expectations of community needs. Targets are informed by the development needs of communities and the development priorities of the municipality identified during the integrated development planning process.

Line managers advise as to what a realistic and achievable commitment for a target is, given the available resources and capacity. Managers advise on seasonal changes and other externalities that are considered in the process of target setting.

6.6 PROCEDURE MANUALS

All senior managers will guide the process of setting indicator description for their respective directorates to clarify the processes to be followed when developing and indicator and evaluating the effectiveness of performance management.

6.7 REVIEW OF PERFORMANCE MEASURES AND TARGETS

The municipality reviews its key performance indicators and targets annually as part of the performance review process referred to in regulation 13 of the Performance Management Regulations. Whenever the municipality amends its integrated development plan in terms of section 34 of the Act, the municipality as part of the process referred to in regulation 3 reviews those key performance indicators that are affected by such an amendment.

6.8 DEVELOPING A MONITORING FRAMEWORK (MEASURING PERFORMANCE)

Bushbuckridge Local Municipality through IDP processes, after consultation with the local community has to effectively develop and implement mechanisms, systems and processes for the monitoring and review of performance in respect of the performance measures and targets set by it. The system has to be designed in a manner that will enable the municipality to detect early indications of under-performance and will provide for corrective measures where under-performance has been identified. The municipality will set top and departmental layer SDBIP as a system to implement the IDP and to monitor and evaluate progress quarterly report will be utilised.

Performance monitoring is an ongoing process which runs parallel to the implementation of the IDP. For each year, a Service Delivery and Budget Implementation Plan (SDBIP) is developed which should be based on the IDP. The SDBIP clearly spells out the priorities, strategic objectives, measurable outputs and targets, and a set of activities to achieve those priorities, objectives and outputs contained in the IDP.

6.9 EARLY DETECTORS

Monthly performance review/ departmental meetings will be utilised as early detectors of indicators.

The following will constitute the monitoring framework for Bushbuckridge Local Municipality:-

- Role players in monitoring and measuring the performance of the municipality.
- Allocation of specific tasks to the gathering of data and submission of reports.
- Determining the data that must be collected in order to assess performance, how that data is to be collected, stored, verified and analyzed and how reports on that data are to be compiled.
- Providing for reporting to the municipal council on quarterly basis.
- Be designed in a manner that enables the municipality to detect early indications of under-performance.
- Providing for corrective measures where under-performance has been identified (organisational performance management)
- Comparing current performance with performance during the previous financial year as baseline indicators

6.10 USING THE PERFORMANCE MANAGEMENT MODEL (MONITORING FRAMEWORK)

Bushbuckridge Local Municipality adopted the Balanced Scorecard for monitoring the implementation of the IDP. The Balanced Scorecard provides a performance measurement framework and by its design aims to enable the municipality to analyse data for its measurement mechanism. The metrics system of the Balanced Scorecard shall provide the municipality with measurement information that is time-specific, source-specific, valid, reliable, clear and accurate.

It is intended that performance measures will be cascaded to all levels of the municipality. The Municipal Manager manages performance measures in the IDP centrally. This is important that line managers see measurement and reporting as central to their management duties.

The Balanced Scorecard fulfils the following requirements in performance management:-

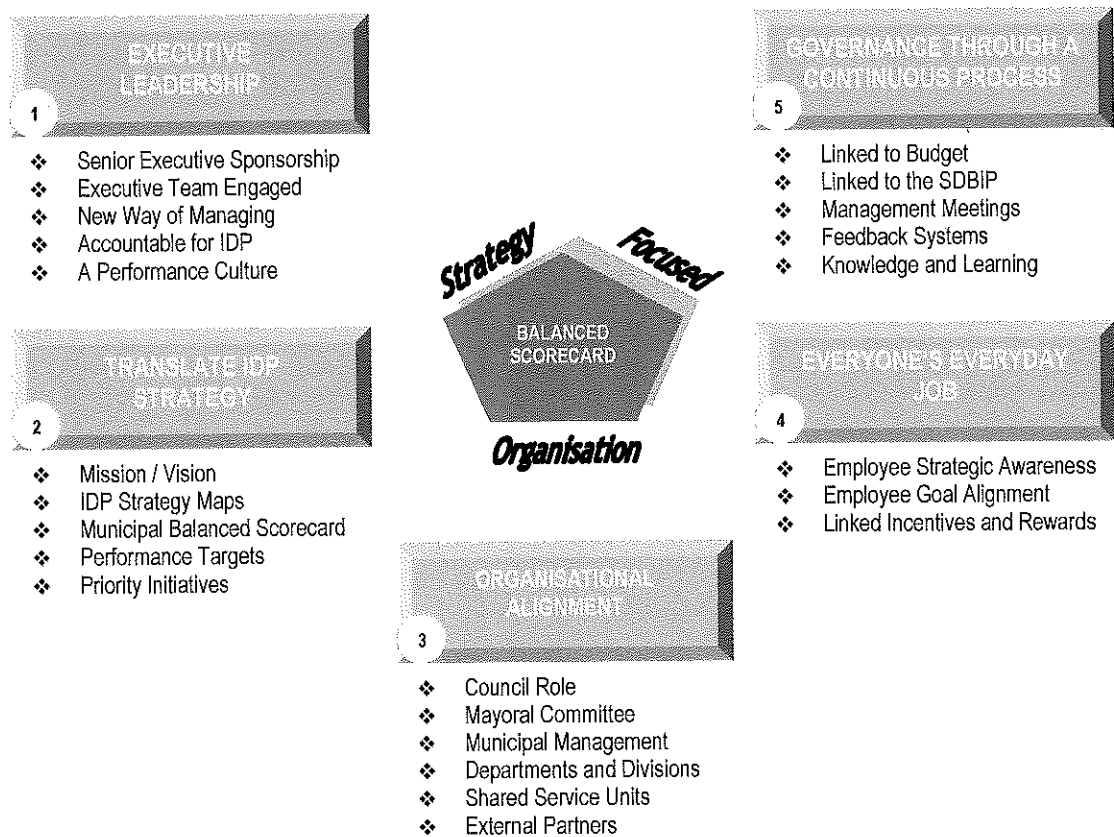
- It fully integrates with the IDP as the IDP provides the basic framework of performance expectations.
- Performance measures and targets set for each priority initiative and objective in the IDP can be mapped into the Balanced Scorecard.
- The metrics system of the Balanced Scorecard caters for all types of performance measures and targets.
- It is a tool that promotes accountability through a process of cascading the system from organisational level strategy to individual performance measurement.
- It is a proven tool that creates synergy and enables alignment of priorities and coherent reporting.

The benefits and value of using the Balanced Scorecard in the municipality are that:-

- Integration of perspectives enables a more holistic assessment of performance (the whole picture is necessary all the time to get a strategic sense of how the municipality will be performing – from each perspective simultaneously – and enables strategic management).
- Has a strong emphasis on learning and development (continuous learning).
- Clearly links planning, measurement and strategy management.
- The links between perspectives can be used to diagnose performance problems.
- Can form the basis for staff and organisational performance management.

- Simplifies long lists of indicators by organising them into a set of categories chosen to sufficiently represent effective performance.

The Balanced Scorecard design process for the municipality follows key principles shown in the figure below:-



7 PERFORMANCE MANAGEMENT MONITORING AND REVIEW

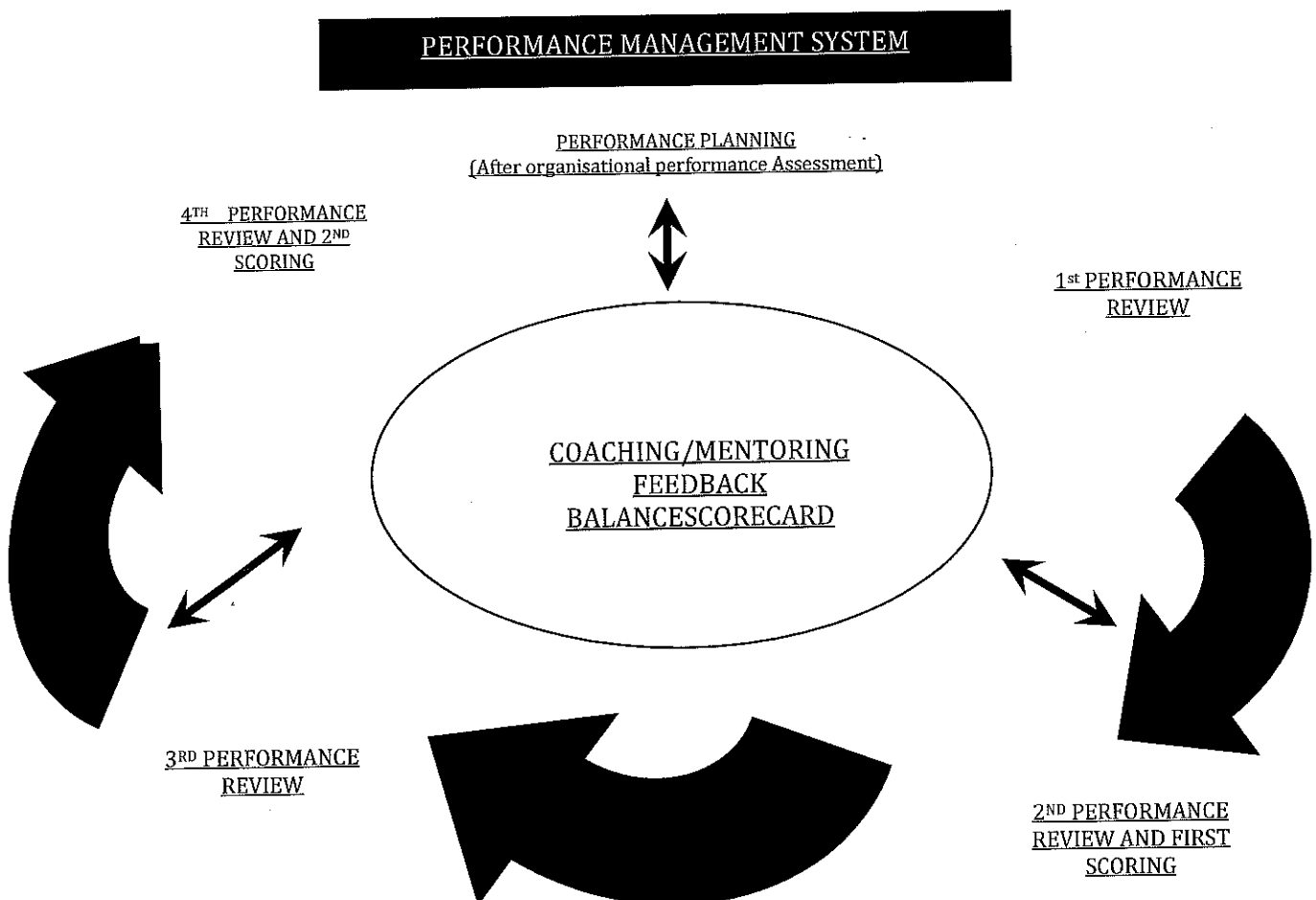
7.1 PLANNING CYCLE OF THE PMS

The planning cycle of the performance management system will run at the same time as the integrated development planning process and development of the SDBIP. The timeframe is according to the adopted IDP Process Plan for the year.

The performance management system is a cycle of events which includes:

- **Performance planning;**
- **Performance Cycle Review**
- **Continuous feedback/coaching**
- **Performance Assessment.**

Performance Reviews and Assessments, refers to the quarterly interactive discussions that need to take place between an individual and his or her superior to determine the outcomes of performance. Performance will be reviewed four times a year, and assessments will be done twice a year.



The Table Below Depicts Quarterly Review Period:

Period	Activity
September	1st Performance Review
December	2nd Performance Review and 1st scoring
March	3rd Performance Assessment
June	4th Performance Review and 2nd scoring

The Directors and Managers must ensure that all performance compact and review documents are signed by both employee and supervisor.

7.2 SDBIP QUARTERLY REPORTS

Directors must submit Service delivery budget implementation reports for consolidation to PMS unit on the 7th day of the month at after the end of every quarter.

The municipal manager must then submit the reviewed and consolidated reports to council before or on the 30th day of the month after the end of every quarter.

7.3 PMS IMPLEMENTATION AND REVIEW

The municipal manager and the Members of Mayoral Committee to coordinate the implementation of the performance management system. In ensuring that the review process is carried out senior managers constantly monitor and assess performance targets (using the provided templates developed by the PMS Manager).

This is done to ensure that:-

- (a) There is a proactive identification of structural constraints and trends of underperformance, and develop alternative courses of actions to remedy the situation;

- (b) Coordinate the quality of performance reports submitted to council, communities and other state organs;

7.4 INSTITUTIONAL REVIEW MECHANISM

The municipality needs to establish effective performance review processes and structures in order to ensure that the performance is appropriately reviewed.

REVIEW MECHANISM	
WHO	REQUIRED
Community / Public	Review the performance of the municipality and public representatives on a quarterly and annual basis
Council	Review the performance of the mayoral committee, portfolio committees and the administration on quarterly and annual basis
Mayoral Committee	Review the performance of the administration on a quarterly basis and the performance of the municipal manager on an annual basis
Municipal Manager	Review the performance of heads of departments both quarterly and annually, and constantly review the overall administration on a monthly and quarterly basis, and remain accountable for reporting on performance
Heads of Departments	Review the performance of managers reporting directly to them on a monthly and quarterly basis before reporting to Council
Supervisors	Review performance of individual or groups of employees reporting directly to them
Portfolio Committees	Review performance of the organisational priorities that lie within their portfolio monthly,

REVIEW MECHANISM	
WHO	REQUIRED while maintaining a strategic role

7.5 APPROACH TO PERFORMANCE MANAGEMENT SYSTEM REVIEW

Performance review is a process where the municipality, after measuring its own performance, assesses whether it is doing the right thing. The municipal manager and the Evaluation committee facilitates the analysis of performance across the organisation in terms of all the priorities for the period and provide an interpretation of the measurements to determine whether targets have been met or exceeded, and projections on whether future targets will be met. Where targets are not being met, the analysis requires that the reasons be examined and corrective action recommended.

Line managers also continuously analyse the measurements in their control since they are best placed, and have an in-depth understanding of their department, to analyse whether targets are met, and will be met in the future, what the contributing factors are to the level of performance and what remedial action needs to be taken. The different methods used in conducting reviews are:-

- The first method to conduct performance reviews is to look at whether the current level of performance is better than that of the previous year, using baseline indicators.
- The second method is to look at the performance of the municipality by comparing with other similar municipalities, by way of a benchmarking exercise.
- The third method is to look at what the people think about the performance of the municipality across the range of services, by way of customer surveys or other community feedback mechanisms.

These review approaches are consistent with the “best value” review framework of challenge, compare, consult and compete. The framework calls for the municipality to challenge the current level of performance, compare it to others, consult with the customers or communities and find ways of competing with others to provide best value when delivering services.

7.6 IMPROVING PERFORMANCE

The municipality is committed to constantly improve good or excellent performance. Poor performance will be considered for improvement as a priority. In doing this, the municipality analyses the causal and contributing reasons for poor performance. The Municipal Manager implements the appropriate response strategy to improve the performance.

The following table shows some of the potential areas of poor performance and the corrective strategy that the municipality will consider to remedy the situation.

AREA OF POOR PERFORMANCE	STRATEGY
Poor systems and processes	Systems and process improvement initiative
Inappropriate structures to deliver services	Organisational restructuring
Inappropriate organisational culture	Change management and continuous education
Absence of appropriate strategy	Revision of strategy by management
Lack of skills and capacity	Training and outsourcing additional capacity

7.7 REPORTING ON PERFORMANCE

In order to comply with the provisions of the Municipal Systems Act (2000) and thereby entrenching a culture of accountability as encapsulated in the act, the municipal manager is required to compile and submit a performance report to the Executive Mayor on a quarterly basis for submission to Council.

The Executive Mayor assisted by the Municipal Manager convenes quarterly performance review meetings attended by the Mayoral Committee. During the quarterly review meetings, Departments present reports reflecting progress made towards achieving quarterly targets as well as outlining activities for the remaining year. The quarterly review serves as the basis for the compilation of the annual performance report to be submitted to Council, and the MEC of Cooperative Governance and Traditional Affairs.

The annual performance report forms the basis for the formulation of the Service Delivery and Budget Implementation Plan for the incoming annual cycle. Significantly, the annual report also serves as a performance linkage between quarterly reports.

PERFORMANCE REPORTING	ACCOUNTABLE TO	PERIOD
Council (including Ward Committees reports)	Provincial MEC of COGTA Public	Quarterly and Annually
Municipality	Citizens and Communities	Quarterly and Annually
Executive Committee	Council	Bi-annually, Annually
Municipal Manager/ Accounting officer.	Executive Committee / Executive Mayor	Monthly, Quarterly, Annually
Directors/ Senior Managers and line managers	Executive Management (Municipal Manager;	Monthly, Quarterly,

	Portfolio Committees and Task team	Annually
Professionals/ Employees	Directors and other line managers	Monthly, Quarterly

7.8 PUBLICATION OF PERFORMANCE REPORTS

The municipality is required to publish performance reports. The annual report is required by legislation and is usually made available to the public. The municipality needs to frequently inform stakeholders on its performance depending on resources and capacity through accessible media means and other forms.

To ensure that the reporting process runs smoothly and effectively, the PMS Task Team needs to manage the processes centrally, to communicate timeframes of all reporting processes for the year, track and monitor reporting processes and analyse performance reports at the organisational level.

The following are the minimum elements that appear in the reporting framework:-

REPORTING ELEMENT	DESCRIPTION
Key Performance Area	These are according to the broad mandate of local government
Functional areas	As identified through consultation with relevant service recipients
IDP Strategic Objective/ SDBIP objectives	The aim of the municipality within the defined priority issue and KPA as related to the specific service to be delivered
Baseline Indicator	Estimate current level or measure of the situation

Performance Measures or key performance indicators	Quantifiable and qualitative measures showing where performance currently is in relation to the baseline and target
Measurement source & frequency e.g. quarterly projection	Source and frequency of where data is gathered for monitoring performance
Target date or period	Period in which service is or will be delivered
Budget / Budget Estimate	Current budget as allocated on the IDP for a specific objective
Performance against target	Quantifiable level that indicates how the current quantifiable measure compare with the set quantifiable targets for the period
Beneficiaries	Cleared defined groups or communities that will benefit from the project or programme

7.9 PUBLIC FEEDBACK AND HEARINGS

Public feedback on reported performance need to be obtained through ongoing awareness performance reporting programmes, were feedback shall be gathered in the most suitable form. The public shall be encouraged to provide feedback by calling into the municipality and using suggestion boxes. Public hearings shall be held every mid-term and during the annual IDP review to report to communities on municipal performance.

7.10 USING PERFORMANCE AUDITS MECHANISM:

In order for the performance management system to enjoy credibility and legitimacy from the public and other stakeholders, performance reports shall be

audited by internal audit and external auditors. Audits ensure that reported performance information is accurate, valid and reliable.

7.10.1 Legal Requirements

According to the Municipal Systems Act, the annual performance report must be audited internally, before being tabled and made public. The Auditor General also audits the municipality's annual performance report after being reviewed by the Council, and thereafter submitted to the MEC for COGTA in the province. The MEC is required to complete a consolidated annual report of the performance of all municipalities in the province, identifying poor performing municipalities and proposing remedial action. The MEC then submits it to the national minister. The national minister presents a consolidated report to parliament.

7.10.2 Internal Audits

Performance Management Regulations (Chapter 3, Regulation 14) states that a municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. Performance audits of the municipality include assessments of the following:-

- The functionality of the municipality's performance management system.
- Whether the municipality's performance system complies with the Act.
- The extent to which the municipality's performance measurements are reliable in measuring performance of municipalities on the set indicators.

7.10.3 Performance Audit Committee (audit Committee)

The municipality on an annual basis needs to appoint and budget for a performance audit committee/ audit committee consisting of a minimum of 3 members, the majority of which will not be involved in the municipality as councillors or

employees. This increases the credibility and legitimacy of the performance reports and the audit process.

In reviewing the municipality's performance and the management thereof, the performance audit committee/ audit committee will focus on economy, efficiency, and effectiveness and impact as per key performance indicators and performance targets set by the municipality are concerned.

The performance audit committee may:-

BLM has resolve to make use of the audit committee to audit all reports for organisational performance management. The committee will be responsible to:

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

8 ORGANISATION AND INDIVIDUAL PERFORMANCE MANAGEMENT ALIGNMENT

The performance of an organisation is integrally linked to that of employees. If employees do not perform, an organization will fail. It is therefore important to manage both at the same time. The relationship between organisational performance and individual performance starts from planning, implementation, monitoring and review.

8.1 PLANNING

The PMS yields a set of indicators and targets. These become an undertaking of the municipality to the community. These are however incorporated into the Municipal Manager's performance agreement, as he/she is responsible for the implementation of the strategy or IDP. The Municipal Manager cascades performance measures or indicators relevant departments. These performance measures or indicators then become the responsibility of the Head of Department (HOD) which are incorporated into the HOD's performance agreement. The HOD needs to cascade the indicators and targets to lower levels in line with the scope of responsibilities at that level.

8.2 IMPLEMENTATION AND MONITORING

When projects and programmes are implemented, the Municipal Manager will set up a framework to track performance of all managers who would in turn do the same for lower level employees during the cascading process. The framework, in terms of employee performance management, clarifies the following:-

- Targets for all levels in the organisation.
- Methods for tracking performance.
- Intervals for reporting.
- Lines of accountability.
- Institutional arrangements.

The Municipal Manager will, within the parameters of an employee performance management system, set up a framework for performance reviews of staff. The framework, in terms of employee performance management clarifies the following:-

- Areas of performance to be reviewed flowing from IDP.
- Review methods to be used.
- Review intervals.

The municipal manager as the head of the administration compiles executive strategic reports that capture the strategic thrust and executive synopsis of the implementation progress. The executive report will provide information on:-

- Policy and legislative trends.
- Institutional trends.
- Financial information and budget.
- Capital projects.
- Implementation challenges.

8.3 PERFORMANCE MANAGEMENT FOR SENIOR MANAGERS

Section 56 (1)(b), (4A), and (5) of the Local Government: Municipal Systems Act requires the municipal manager and managers reporting directly to the municipal managers to enter into performance agreement. A performance agreement is an agreement between an employer and the employee the – (a) outlines employers expectations of the employee's performance and (b) establishes procedures for assessment of the employee' performance against agreed criteria. In order to comply with the Systems Act and the Regulations all section 56 employees will be required to enter into performance agreements.

8.3.1 PERFORMANCE AGREEMENTS

The performance regulations require section 56 managers to enter into Performance Agreements with the municipality. These Performance Agreements define the municipality's performance expectations of section 56 managers. Significantly the performance plans which integral part of the Performance Agreement are informed by institutional outputs and targets as captured in the municipality' Integrated Development Plan (IDP) and top layer and bottom layer Service Delivery and Budget Implementation Plan (SDBIP).

Performance Agreement between the Municipal Manager and the Municipality

The municipal manger as the head of the administration enters into a performance agreement with the municipality (represented by the Executive Mayor).

Performance Agreement between managers directly accountable to the Municipal Manager and the municipality

Managers directly accountable to the municipal manager enter into performance agreement with the municipality (represented by the municipal manager).

8.3.2 Significance of a Performance Agreement

The performance agreements to be entered into by section 56 and Section 54 employees entail:-

- Specifying accountabilities as set out in the performance plan;
- Monitoring and measuring performance against targeted outputs;
- Establishing a transparent and accountable working relationship; and
- Assessing compliance with performance expectations.

8.3.3 Commencement and duration of the Performance Agreement

Section 56 employees enter into a performance agreement each financial year. The agreements must be concluded within ninety (30) days of the beginning of the financial year. The parties to the performance agreement will review the provisions of annually (during the month of June). The revised performance agreement replaces the previous agreement after the commencement of the new financial year. The performance agreement terminates on the employee's contract of employment on the reasons contemplated therein.

8.3.4 COMPONENTS OF THE PERFORMANCE AGREEMENT

The performance agreements entered into by the Municipal Manager and section 57 employees and the municipality consist of the following components:-

- (a) Performance Plan (PP)
- (b) Core Competency Requirements (CCRs)

- (c) Performance Evaluation System (PES)
- (d) Personal Development Plan (PDP)

8.3.5 DEPARTMENTAL PERFORMANCE PLAN

The Performance Plan is a strategic management tool that enables the municipality to assess the performance of the Municipal Manager and section 56 employees in an objective and fair manner. Essentially the PP in the agreement describes:-

- (a) The areas of work for which the employee is responsible for (KPA);
- (b) The main tasks to be performed within a KPA (key objectives); and
- (c) Indicators against which the employee’s performance will be assessed (KPIs) and their weightings.

Key Performance Areas for Municipal Managers	Weighting
Basic Service Delivery	
Municipal Institutional Development and Transformation	
Local Economic Development	
Municipal Financial Viability and Management	
Good Government and Public Participation	
SCM	
Total	100%

8.3.6 CORE COMPETENCY REQUIREMENTS

The regulations of section 56 managers require that performance of section 56 managers be assessed in terms CCRs. These competencies describe general managerial and occupational skills. The assessment of these competencies will account for twenty (20) percent of the total assessment score.

8.3.7 PERFORMANCE EVALUATION SYSTEM

The criterion upon which the performance of section 56 managers is assessed consists of two (2) components:-

- (a) The performance assessed against KPAs which counts for 80% of the total assessment.
- (b) The performance assessed against CCRs which counts for 20 % of the assessment.

Section 56 employees are assessed on the extent to which objectives under each KPA have been achieved. A score of 1 to 5 is allocated to each KPA (depending on the extent to which the objectives have been achieved). The detailed description of the rating levels is contained in section 27(4) of the regulations (MPPMR).

8.4 EVALUATION COMMITTEE

The Performance contract and Performance management planning regulation stipulates that when the review is conducted, the municipality should have the following Evaluation panel which is made of the Executive Mayor, Chairperson of Audit Committee, Municipal Manager from another municipality and member of the community appointed by the Executive Mayor for the assessment of the Municipal Manager, and

The Chairperson of Audit Committee, Municipal manager and a Municipal Manager from another municipality, a relevant member of Mayoral Committee and member of the community appointed by the executive Mayor for the assessment of the Municipal Manager. The PMS Manager or specialise to advice the committee should be the added advantage.

8.4.1 PERFORMANCE BONUS

The municipality will pay performance bonuses ranging from 1 – 14% in recognition of employee outstanding performance. In this regard, a performance bonus of 5 to 9% will be due to a section 56 employee who achieves a score of 130 to 149 and 10% to 14% for a score of 150% and above, in addition to this the following bonus

scheme will apply to section 56 and 54 employees of BLM which accommodates the score between 101% - 129% as is also regarded as better performance.

Post Level	Ration Results	Bonus Amount	Pay Progression
Municipal Manager & Directors	150% And Above	14 % Of Annual Salary	1% Pay Progression
	139-149%	13.% Of Annual Salary	1% Pay Progression
	135-138%	6.7% Of Annual Salary	1% Pay Progression
	130-134%	5% Of Annual Salary	1% Pay Progression
	111-129%	4.9%Of Annual Salary	1% Pay Progression
	101-110%	3% Of Annual Salary	1% Pay Progression
	100%	0%	1% Pay Progression
	Below 100%	0% Bonus	0% Pay Progression

8.4.2 PERFORMANCE REVIEWS

Performance reviews of section 54& 56 employees are conducted on a quarterly basis. These reviews culminate into an annual performance appraisal.

8.4.3 MANAGEMENT OF EVALUATION OUTCOMES

The evaluation of an employee's performance forms the basis for:-

- (a) Rewarding outstanding performance; and
- (b) Correcting unsatisfactory performance.

In the case of unsatisfactory performance, the municipality provides systematic remedial or developmental support to assist the employee to improve his/her performance. And if no improvement, terms of the employment contract of the employee shall apply.

8.4.4 PERSONAL DEVELOPMENT PLAN

The Local Government: Municipal Performance Regulations for Municipal Managers directly accountable Municipal Managers require that as part of the performance agreement a PDP should be developed.

A sectional template of the PDP that is included in the performance agreement should be completed during planning by a section 56 & 54 employee when the gap has been identified in the previous assessment or as an additional skills required for the job.

8.4.5 BONUS SCHEME

The Municipal Manager and Directors (section 56 & 54 employees), employees on a fixed term contract are catered for the payment of a performance bonus after the assessments.

8.5 TERMINATION OF SERVICE

Senior Managers starting during the financial year will only be eligible on a pro-rata basis, from date of employment. Only senior managers who were still employed in Bushbuckridge Local Municipality as at the end of the financial year will be eligible for a performance bonus if the performance process will be finalised after the termination of employment contract.

9 ATTACHMENTS

The OPMS Policy's effectiveness depend on the proper use of the below:

Performance Agreement Template

Performance Plan Template

Performance Quarterly review Template

Procedure manual or System description of indicators

10 SOURCES

The BLM organisational policy framework has been developed in line with PMS best practices from:

South African Local Government Association – SALGA (Mpumalanga)

Ehlanzeni District Municipality

Nkomazi Local Municipality

Mbombela Local Municipality

BLM Individual PMS Policy framework

PMDS policy for DWA