

PIXLEY ka SEME DISTRICT MUNICIPALITY



**PERFORMANCE REVIEWS REPORT:
FINAL - YEAR 2015/16**

1. BACKGROUND

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into a performance based agreement with all s56 and s57-employees and that performance agreements must be formally reviewed twice per annum. The performance agreements therefore establish the performance relationship between the employer and the employee and require that the performance of the employee needs to be evaluated at least twice per annum.

The mid-term evaluation for 2015/16 for the period ending 31 December 2015 was done on 19 January 2016 and focused on the actual work delivered in terms of Annexure A of the performance agreement for the period ending 31 December 2015 and had a developmental focus.

The evaluations reported on in this report focused on the performance of the senior management for the 2nd semester of the 2015/16 financial year.

The formal evaluation focused on the actual work delivered in terms of Annexure A of the performance agreement for the period ending 30 June 2016.

2. ASSESSMENT PANEL

For purposes of evaluating the performance of the employee, an evaluation panel constituted of the following persons was established in terms of the performance agreement:

- Mr RE Pieterse Municipal Manager
- Clr JZ Lolwana Executive Mayor (Present for the evaluation of the Municipal Manager only)
- Clr T Sintu Mayoral Committee Member
- Clr J Olifant External Mayor (Present for the evaluation of the Municipal Manager only)
- Mr I Visser External Municipal Manager (Present for the evaluation of the Senior Managers only)
- Mr J Blair Chairperson Audit Committee

The role of the panel members can be summarised as follows:

- The municipal manager was the primary evaluator of the performance of the employees;
- The Executive Mayor was the primary evaluator of the performance of the Municipal Manager; and
- The portfolio councillor was the secondary evaluator of the performance of the employees and the Municipal Manager

The panel conducted the annual review of the performance of the following managers:

- Mr RE Pieterse Municipal Manager
- Mr BF James Chief Financial Officer
- Mr TA Loko Senior Manager : Corporate Services
- Mr H Greeff Senior Manager : Infrastructure Development and Housing

3. PERFORMANCE PROCESS

The section regarding the CCR part of the Annexure A of the performance agreements was changed to competencies in terms of R21 of January 2014. Senior Managers must be evaluated on all competencies on an equal basis and the scoring must be based on Annexure B of the agreement which prescribe the evaluation criteria for each of the twelve competencies. To cater for these comprehensive items, the CCR evaluation sheets of each senior manager were distributed to the managers for their self-scoring.

The SDBIP final year 2015/16 results and the evaluation forms with the completed CCR scores were distributed to the members of the committee. Each employee prepared himself for evaluation purposes. The panel was briefed and updated with the actual evaluation process that was followed with regard to the CCR part and that will be followed for the KPI part before the commencement of the evaluations sessions.

During the evaluation for each employee:

- ❖ The Municipal Manager welcomed the members and the employee and explained the purpose of the evaluation and the process.
- ❖ The panel was introduced and the role of panel members confirmed.
- ❖ As part of the approach to this evaluation, it was explained that the evaluation will focus on the actual work delivered in terms of Annexure A of the performance agreement for the KPA's are documented in each contract.
- ❖ Scoring was done in terms of evidence provided and with mutual agreement of all parties present. The scoring was based on the following rating scale:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance 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 PA and Performance Plan.

Level	Terminology	Description
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA 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.

- ❖ The committee members were asked to overview the evaluation of the CCR's that was done beforehand as mentioned above and asked to indicate if they were in agreement.
- ❖ The approach can be summarised as follows:
 - Feedback on performance by the employee per KPI with relevant POE.
 - Questions from the panel
 - Discussion by the panel members

4. Assessment Outcomes

The outcome of the Performance Assessments is documented on the signed score sheets. The Final scores were derived from the score allocated to each key performance indicator or group of indicators by the primary assessor, multiplied by the weight allocated to the respective indicator / group of indicators.

The feedback for each of the employees evaluated is as indicated in the attached score sheets for the following employees:

- RE Pieterse: Final score: **142%**. According to paragraph 11.3 of the signed performance agreement a performance bonus of 7% of total package should be paid once the draft annual report for 15/16 has been approved by council, as prescribed by section 8 (1) of Regulation 805.
- BF James: Final score: **142%**. According to paragraph 11.3 of the signed performance agreement a performance bonus of 7% of total package should be paid once the draft annual report for 15/16 has been approved by council, as prescribed by section 8 (1) of Regulation 805.
- TA Loko: Final score: **142%**. According to paragraph 11.3 of the signed performance agreement a performance bonus of 7% of total package should be paid once the draft annual report for 15/16 has been approved by council, as prescribed by section 8 (1) of Regulation 805.

- H Greeff: Final score: **132%**. According to paragraph 11.3 of the signed performance agreement a pro rata performance bonus of 5% of total package should be paid once the draft annual report for 15/16 has been approved by council, as prescribed by section 8 (1) of Regulation 805.

5. Summary Conclusions

The individuals must ensure that sufficient POE' is available for audit purposes of all the actual results.

The above mentioned is crucial to prevent audit queries at the end of the financial year.

In terms of section 34 (3) of regulation GNR 805 of 1 August 2006 a copy of the performance assessment results of the municipal manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.
