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| Kareeberg Municipality |
| Performance Management Evaluation Report 2012/13 |
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# INTRODUCTION

The report is compiled in terms of the Performance Management System of Kareeberg Municipality and the Local Government: Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 (Municipal Performance Regulations) or (MPR). In this regard, the various Senior Managers, except for the Municipal Manager undertook a process of self-assessment. The reason for the exclusion of the Municipal Manager from this process is primarily due to the fact that he joined the municipality when the targets were set and performance measurement in progress.

It is however accepted that the outcomes of the Senior Managers’ assessment will be the average combined score of the Municipal Manager and as such the overall municipal assessment. In light of the above, the Municipal Managers score will be derived from the average combined scores of the Senior Managers.

# LEGISLATIVE FRAMEWORK

The following are conditions attached to the award of a bonus to an employee for outstanding performance as prescribed by legislation.

##

## 2.1 Affordability

Section 38 of the Municipal Systems Act requires a municipality to establish a performance management system which is commensurate with its resources. The Municipal Performance Report, in section 8, makes affordability to the municipality a condition for bonuses to be paid to senior managers.

## 2.2 Period permissible to award a performance bonus

The Municipal Systems Amendment Act restricts the award of bonuses to employees to a period of a financial year.

## 2.3 Submission and adoption of the Annual Report

A third condition is that a performance bonus can only be paid after the Annual Report for the year under review has been submitted and adopted by Council. At this point of the municipal business cycle, the Auditor General has had an opportunity to express an opinion on the municipality’s financial statements and the municipality’s planning and performance management systems.

It is also at this stage in the business cycle that the Oversight Committee of Council has had an opportunity to make recommendations to Council on the Annual Report in terms of section 129 of the MFMA.

The Annual Report content, process and resultant Oversight Report is a fairly accurate indicator of overall performance of a municipality over a particular year.

##

## 2.4 Performance Evaluation

The fourth condition is for a credible performance evaluation or assessment process in terms of the section 26 and 27 of the MPR.

###

### 2.4.1 Council Approval

The fifth condition is that the Evaluation or Performance Assessment Report and the awarding of bonuses must be approved by Council.

###

### 2.4.2 Percentage Limit

 A Performance bonus is capped at 14% of the all-inclusive remuneration package in terms of section 32 of the MPR.

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# THE 2013/13 FINANCIAL YEAR PERFORMANCE EVALUATION

The 2012/13 Performance Evaluation took place on 9 October 2013. The evaluation was done by an Evaluation Panel appointed by the Council in terms of the prescriptions of the MPR.

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# EMPLOYEES EVALUATED

The report covers the annual performance assessment for the 2012/13 of the following employees

|  |  |
| --- | --- |
| **NAME** | **DEPARTMENT** |
| **PB Rossouw** | **Chief Financial Officer** |
| **NJ Van Zyl** | **Head of Corporate Services** |
| **APF van Schalkwyk** | **Chief Operational Manager** |

# EVALUATION PROCEDURE AND CRITERIA

##

## 5.1 Procedure

Each senior manager was required to compile a portfolio of evidence supporting their performance against key performance indicators agreed to with the municipality in their signed performance agreements.

Employees were also to indicate their own self-scores against the total weighting for each KPI in the performance agreements based on their performance. The scores were then confirmed with the Municipal Manager in case of section 57 managers and with the Mayor in the case of the Municipal Manager based on their satisfaction with the evidence submitted.

##

## 5.2 Criteria

The assessment criteria consists of two components with a weighting of 80:20 allocated to key performance areas (KPAs) and core competency requirements (CCR) requirements respectively.

**80%** of the score is the main area of work. Assessment will be based on performance in terms of outputs and outcomes linked to KPAs agreed to in the performance plan.

**20%** of the score is based on CCR that are deemed to be the most critical for the employee’s specific job and agreed to during contracting.

###

### 5.2.1 Key Performance Areas

The KPAs are modelled according to the 2006-2011 Local government Strategic Agenda.

* Basic Service delivery;
* Municipal Institutional Development and Transformation;
* Local Economic Development;
* Municipal Financial Viability and Management;
* Good Governance and Public Participation;

### Core Managerial and Occupational Competencies

CCRs are selected according to a specific field of a Senior Manager from the following list required by Regulations.

* Strategic capability and leadership;
* Programme and project management;
* Financial management (c);
* Change management;
* Knowledge management;
* Service Delivery Innovation;
* Problem solving and analysis;
* People management and empowerment (c);
* Client orientation and customer focus (c);
* Communication;
* Honesty and integrity;
* Policy implementation within national policy frameworks;
* Knowledge of PMS and Reporting;
* Global and local political and economic context;
* Policy conceptualization, analysis and implementation;
* Knowledge of multiple municipal fields or discipline;
* Mediation skills;
* Governance skills;
* Self management;
* Competence as required by other national line departments;
* Creativity to improve the functioning of the municipality

#

# MANAGEMENT OF EVALUATION OUTCOMES

##

## 6.1 Overall Rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

The rating Scale for Key Performance Areas and Core Competency Requirements are as follows.

| **Level** | **Result** | **Target to be Achieved %** | **Description** |
| --- | --- | --- | --- |
| 5 | Outstanding performance | 75-100 | Performance far exceeds the standard expected at this level. The employee has achieved above fully effective results against all performance criteria and KPIs as indicated in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year. |
| 4 | Performance significantly above expectations | 65-74 | Performance is significantly higher than the standard expected in the job. The employee has achieved fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year |
| 3 | Fully Effective | 50-64 | Performance fully meets the standards expected in all areas of the job. The employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan. |
| 2 | Performance not fully effective | 30- 49 | Performance meets some of the standards expected for the job. 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 | Less than 30 | Performance does not meet the standard expected for the job. 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. |

Section 32 of the regulations determines the criteria for managing the results of performance evaluation in order to determine the bonus payable to each employee. The scale in the table below guides the determination of bonuses to be paid to employees for outstanding performance.

| **Percentages as per Regulation** | **Percentage Achieved****(%)** | **Bonus Percentage****(%)** |
| --- | --- | --- |
| No bonus | Less than 130% | 0%  |
| 5-9% | 130-134 | 5 |
| 135-139 | 6 |
| 140-144 | 7 |
| 145-147 | 8 |
| 148-149 | 9 |
| 10-14% | 150-152 | 10 |
| 153-155 | 11 |
| 156-158 | 12 |
| 159-160 | 13 |
| 160+ | 14 |

## 6.2 Rating Calculator

The rating calculator will be used to determine the rating of the participant according to the weights allocated for the key performance areas and core competency requirements.

## 6.3 Methodology

The following methodology was used:

* 1. To do the final evaluation of the Senior Managers for the 2012/13 financial year and award points in terms of the rating calculator for the Key Performance Areas and Core Competency Requirements.
	2. The municipality appointed an external elevator to assess the Managers Portfolio of evidence and evaluate the portfolio according to the set Evaluation Outcomes as per Section 6.1 of the report.
	3. The Manager already scored himself and the panel members will individually score the manager in terms of the scoring targets.
	4. The scoring targets are as follow:
		1. ***5=75-100%;***
		2. ***4=65-74%;***
		3. ***3=50-64%;***
		4. ***2=31-49%;***
		5. ***1=less than 30%.***
	5. The Manager’s score will count 20% of the consolidated score and the external evaluator’s score will count 80% of the consolidated score.
	6. The Manager will present his ***Portfolio of Evidence*** as proof for the score given by himself on each of the KPI’s and will motivate his score on each of the CCR’.
	7. A weight were allocated to each of the KPA’s and CCR’s, this will have an influence on the final score.
	8. The minutes of the meetings were kept by the Department Corporate Services and the minutes will be used as the official recordkeeping in any future disputes.

# OUTCOMES OF THE ASSESSMENT

## 7.1 Chief Financial Officer

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| **Section 56 Managers** |
| **Municipality: Kareeberg Municipality** |
| **Annual Performance Assessment** |
| **Assessment Rating Calculator**  |
| **Name: PB Rossouw** |  |  |  |  |  |   |
| **Cycle:** | Jul-12 | to | Jun-13 |   |   |   |   |
|  |  |  |  |  |  |  |   |
| **KPA** | **Weight** | **Rating** | **Score** | **CCRs** | **Weight** | **Rating** | **Score** |
| BSD | 10% | 4.6 | 0.46 | Strategic Capability and Leadership  | 10% | 4.2 | 0.42 |
| MTOD | 10% | 4.6 | 0.46 | Financial Management  | 10% | 4.2 | 0.42 |
| LED | 5% | 4.4 | 0.22 | Problem Solving and Analysis | 10% | 4.2 | 0.42 |
| MFVM | 75% | 4.4764706 | 3.3573529 | People Management and Empowerment | 10% | 3.8 | 0.38 |
| GG & PP | 0% | 0 | 0 | Client Orientation and Customer Focus | 10% | 4.2 | 0.42 |
|   |   |   |   | Interpretation of and implementation within the legislative and national policy frameworks | 10% | 4.2 | 0.42 |
|   |   |   |   | Knowledge of global and South African specific political, social and economic contexts | 10% | 4.2 | 0.42 |
|   |   |   |   | Competence in policy conceptualisation, analysis and implementation | 10% | 4.2 | 0.42 |
|   |   |   |   | Exceptional and dynamic creativity to improve the functioning of the municipality | 10% | 4.2 | 0.42 |
|   |   |   |   | Knowledge of more than one functional municipal field/discipline | 10% | 4.2 | 0.42 |
|   | 100% |  | 149.91176 |  | 100% |  | 83.2 |
| KPA weight |   |   | 80% | CCR weight |   |   | 20% |
| **KPA SCORE** |  | **120%** | **CCR SCORE** |  |  | **17%** |
| **FINAL SCORE** |  |  |  |  |  | **137%** |

## 7.2 Head of Corporate Services

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| **Section 56 Managers** |
| **Municipality: Kareeberg Municipality** |
| **Annual Performance Assessment** |
| **Assessment Rating Calculator**  |
| **Name: NJ van Zyl** |  |  |  |  |  |   |
| **Cycle:** | Jul-12 | to | Jun-13 |   |   |   |   |
|  |  |  |  |  |  |  |   |
| **KPA** | **Weight** | **Rating** | **Score** | **CCRs** | **Weight** | **Rating** | **Score** |
| BSD | 0% | 0 | 0 | Strategic Capability and Leadership  | 10% | 3.8 | 0.38 |
| MTOD | 70% | 4.56 | 3.192 | Financial Management  | 10% | 4.4 | 0.44 |
| LED | 10% | 4.525 | 0.4525 | Problem Solving and Analysis | 10% | 4 | 0.4 |
| MFVM | 0% | 0 | 0 | People Management and Empowerment | 10% | 4 | 0.4 |
| GG & PP | 20% | 4.1 | 0.82 | Client Orientation and Customer Focus | 10% | 4.2 | 0.42 |
|   |   |   |   | Interpretation of and implementation within the legislative and national policy frameworks | 10% | 4.6 | 0.46 |
|   |   |   |   | Knowledge of global and South African specific political, social and economic contexts | 10% | 3.6 | 0.36 |
|   |   |   |   | Competence in policy conceptualisation, analysis and implementation | 10% | 4 | 0.4 |
|   |   |   |   | Exceptional and dynamic creativity to improve the functioning of the municipality | 10% | 4.2 | 0.42 |
|   |   |   |   | Knowledge of more than one functional municipal field/discipline | 10% | 4.4 | 0.44 |
|   | 100% |  | 148.81667 |  | 100% |  | 82.4 |
| KPA weight |   |   | 80% | CCR weight |   |   | 20% |
| **KPA SCORE** |  | **119%** | **CCR SCORE** |  |  | **16%** |
| **FINAL SCORE** |  |  |  |  |  | **136%** |

## 7.3 Chief Operational Manager:

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| --- |
| **Section 56 Managers** |
| **Municipality: Kareeberg Municipality** |
| **Annual Performance Assessment** |
| **Assessment Rating Calculator**  |
| **Name: APF van Schalkwyk** |  |  |  |  |   |
| **Cycle:** | Jul-12 | to | Jun-13 |   |   |   |   |
|  |  |  |  |  |  |  |   |
| **KPA** | **Weight** | **Rating** | **Score** | **CCRs** | **Weight** | **Rating** | **Score** |
| BSD | 80% | 4.3692308 | 3.4953846 | Strategic Capability and Leadership  | 10% | 4.4 | 0.44 |
| MTOD | 10% | 4.4666667 | 0.4466667 | Financial Management  | 10% | 4.4 | 0.44 |
| LED | 10% | 3.6 | 0.36 | Problem Solving and Analysis | 10% | 4.4 | 0.44 |
| MFVM | 0% | 0 | 0 | People Management and Empowerment | 10% | 3.8 | 0.38 |
| GG & PP | 0% | 0 | 0 | Client Orientation and Customer Focus | 10% | 3.8 | 0.38 |
|   |   |   |   | Interpretation of and implementation within the legislative and national policy frameworks | 10% | 4.4 | 0.44 |
|   |   |   |   | Knowledge of global and South African specific political, social and economic contexts | 10% | 4 | 0.4 |
|   |   |   |   | Competence in policy conceptualisation, analysis and implementation | 10% | 4.4 | 0.44 |
|   |   |   |   | Exceptional and dynamic creativity to improve the functioning of the municipality | 10% | 4.4 | 0.44 |
|   |   |   |   | Knowledge of more than one functional municipal field/discipline | 10% | 4.4 | 0.44 |
|   | 100% |  | 143.40171 |  | 100% |  | 84.8 |
| KPA weight |   |   | 80% | CCR weight |   |   | 20% |
| **KPA SCORE** |  |  | **115%** | **CCR SCORE** |  |  | **17%** |
| **FINAL SCORE** |  |  |  |  |  |  | **132%** |

# Performance Scale and % Bonus payable

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## 8.1 Overall Rating

The overall rating achieved for the Key Performance Areas and Core Competency Requirements were then converted into a scale of 1 to 5. 1 representing unacceptable performance, and 5 representing outstanding performance as outlined above.

##

## 8.2 Final Scores and % Bonus

The following are the final scores and bonus percentages payable on the employees total remuneration packages.

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME** | **DESIGNATION** | **Evaluation Scores in %** | **% Bonus payable** |
| B Rossouw | Chief Financial Officer | 137 | 6 |
| NJ van Zyl | Head of Corporate Services | 136 | 6 |
| APF van Schalkwyk | Chief Operational Manager | 132 | 5 |
| W. de Bruin  | Municipal Manager  | 135 | 6 |

# CONCLUSION AND RECOMMENDATION TO THE EVALUATION PANELS

That the Evaluation Panel approves the Performance Evaluation Report and recommends the evaluation results to council for final approval.