

# **GREATER TZANEEN MUNICIPALITY**



## **Individual Performance Assessment Report for 2017/18**

**Office of the Municipal Manager**

**Performance Management Section**

**October 2018**

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## Acronyms

<b>CCR</b>	Core Competency Requirements
<b>CORP</b>	Corporate Services Department
<b>EED</b>	Electrical Engineering Department
<b>GTM</b>	Greater Tzaneen Municipality
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>MM</b>	Municipal Manager
<b>MSA</b>	Municipal Systems Act
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan

## 1. Introduction

Municipalities are required to conduct performance assessments for the Municipal Manager and Directors in terms of the Municipal Systems Act (Regulation 805 of 2006). In compliance with the regulations, GTM enters into performance agreements with the Municipal Manager and Directors on an annual basis. The Performance Agreements are reviewed annually to ensure alignment with the SDBIP and the prevailing operating circumstances within the municipality.

As contained in the performance agreements, quarterly assessments must take place to determine the progress made by the individuals in reaching the performance targets, as set for them in the performance plan. The first and third quarter assessments are informal and it is not a requirement to report to Council on the outcome of these. The mid-year and annual assessments must however be formal and conducted through a formal panel setup as determined by the regulations.

During the 2017/18 financial year the mid-year performance assessments were not conducted due to the fact that only 2 positions were filled of which one was acting as the Municipal Manager. Performance assessments could therefore not be conducted as the two Directors would have been placed in a conflict of interest situation, wherein they would have had to assess each other.

The annual assessments for 2017/18 could however take place on the 19<sup>th</sup> of September 2018, this was made possible by the appointment of a Municipal Manager during the 4<sup>th</sup> Quarter for 2017/18. This report will outline the methodology used for the assessments as well as the result thereof.

## 2. Methodology

The process of conducting performance assessments for individuals is managed through the PMS Policy, as approved by Council. GTM procured an electronic performance management system to assist with the reporting on performance and also to facilitate the assessment process. The assessments for the Directors followed the process outlined below.

### **Step 1: Monthly Performance Reporting:**

Directors are required to report progress made on reaching the targets for the KPIs allocated to them, on a monthly basis. The reporting is done on the electronic system, within 15 working days of the close of the month. During this monthly reporting process it is required for employees to provide reasons for deviation from any set target and also to provide efforts taken from their side to improve performance, where necessary. They are also required to upload a portfolio of evidence onto the system to substantiate the claimed performance, reasons for deviation and efforts taken to improve performance.

### **Step 2: Auditing of reported Performance**

The monthly performance information reported by the employees are audited by Internal Audit utilising the electronic system.

### **Step 3: Consolidation of Scoresheet**

Once it is confirmed that the Internal Audit process is concluded at year-end the scorecards for the Directors were consolidated. The scoresheets include the information reported by the Director on the Departmental SDBIP as well as the additional KPIs allocated to the individual. The Core Competency Requirements (also specified in the regulations) are then also added to complete a scoresheet on the 80:20 basis. The performance on the KPAs of the employee make up 80% of the score while CCR's carry a weight of 20%.

### **Step 4: Self scoring**

The scoresheet is made available to the employee for a period of time to allow the employee to score themselves and provide a motivational comment. No additional portfolios of

evidence can be uploaded at this stage. The scoring is done based on the system as provided in the regulations, as reflected below in **Table 1**:

<b>Table 1: Scoring system</b>				
<b>5 (167%)</b>	<b>4 (133-166%)</b>	<b>3 (100-132%)</b>	<b>2 (67-99%)</b>	<b>1 (0-66 %)</b>
Outstanding Performance <i>(Above and beyond what was expected)</i>	Performance Significantly Above Expectations	Fully Effective <i>(Implemented what was planned)</i>	Not Fully Effective <i>(Planned targets not fully met)</i>	Unacceptable Performance

### **Step 5: Panel assessment**

The panel members are given access to the scoresheet on the electronic system wherein they can view the reported performance, the portfolio of evidence, the audit outcome and the self-score provided by the employee. After discussions in the panel, each member captures their own score for each item and may also provide a comment. It was agreed in the panel to allow the member of the Executive committee to score manually (due to challenges with visibility on the gadget available). The scores was captured on the system by the Performance Management Officer.

### **Step 6: Final review by Accounting Officer**

The system calculates the average score achieved for each KPI and this result then made available to the Accounting Officer (Municipal Manager) for a final review. The final score provided by the Municipal Manager becomes the final result of the assessment.

### **Step 7: Reporting to Council (Rewards & Interventions)**

Once the Accounting Officer has signed off on the scorecard the end result can be extracted for reporting to Council. The report to Council should indicate, as a minimum, the final score achieved by the employee and make recommendations with regard to interventions or incentives to be made in line with the regulations. Council must approve the payment of any rewards in line with the prescribed sliding scale presented in **Table 2**, below.

**Table 2: Bonus calculation – sliding scale**

<b>% Performance</b>	<b>Bonus %</b>
130.00% - 133.89%	5%
133.90% - 137.69%	6%
137.70% - 141.49%	7%
141.50% - 145.29%	8%
145.30% - 149.99%	9%
150.00% - 153.49%	10%
153.50% - 156.89%	11%
156.90% - 160.29%	12%
160.30% - 163.69%	13%
163.70%+	14%

### 3. Assessment Results

Only 2 of the 7 Senior Management positions were filled for the 2017/18 financial year. The results of the assessments conducted for the Directors: Electrical Engineering and Corporate Services are presented below.

#### 3.1 Director: Electrical Engineering

The end result of the assessment process is presented in the table below.

<b>Table 3: EED performance dashboard</b>					
	<b>Lines</b>	<b>Weights</b>	<b>Score</b>	<b>Component Weights</b>	<b>Weighted Score</b>
<b>Indicators</b>					
KPAs	58	100%	1.54	80%	1.23
<i>Service Delivery - KPIs</i>	18	40.60%	0.72		
<i>Service Delivery - Projects</i>	31	52.73%	0.71		
<i>Good Governance - KPIs</i>	8	5.92%	0.1		
<i>Good Governance - Projects</i>	1	0.75%	0.01		
<b>Total Indicators:</b>	<b>58</b>			<b>80%</b>	<b>1.23</b>
<b>Core Competencies:</b>	<b>12</b>	<b>100%</b>	<b>2.85</b>	<b>20%</b>	<b>0.57</b>
<b>Total:</b>	<b>112</b>			<b>100%</b>	<b>1.80</b>
<b>Final Score:</b>					<b>1.80</b>
<b>% Performance:</b>					<b>60.00%</b>
<b>Bonus %:</b>					<b>0%</b>

The key issues raised for the Director: EED was that the following:

- Lack of apparent monthly monitoring of expenditure



### 3.2 Director: Corporate Services

The end result of the assessment process is presented in **Table 4** below

<b>Table 4: CORP performance dashboard</b>					
	<b>Lines</b>	<b>Weights</b>	<b>Score</b>	<b>Component Weights</b>	<b>Weighted Score</b>
<b>Indicators</b>					
KPAs	31	100%	2.32	80%	1.86
<i>Service Delivery - KPIs</i>	5	10.00%	0.26		
<i>Good Governance - KPIs</i>	26	90.00%	2.06		
<b>Total Indicators:</b>	<b>31</b>			<b>80%</b>	<b>1.86</b>
<b>Core Competencies:</b>	<b>12</b>	<b>100%</b>	<b>2.95</b>	<b>20%</b>	<b>0.59</b>
<b>Total:</b>	<b>112</b>			<b>100%</b>	<b>2.45</b>
<b>Final Score:</b>					<b>2.45</b>
<b>% Performance:</b>					<b>82.00%</b>
<b>Bonus %:</b>					<b>0%</b>

The key issues raised for the Director: CORP was that the following:

- Information reported by subordinates not verified by the Director.

## 4. General Comments from the Panel

During the assessments the panel members made comments which should be considered during the drafting of performance agreements and also for future performance assessments. These include:

- That the use of an electronic system for assessments was found to be user-friendly and noteworthy
- The assurance outcome should reflect the final outcome of the audit process (signed off or rejected). The indication that the information was adjusted after being rejected were not helpful since it did not indicate whether the adjustments were found to be satisfactory or not.
- That the Municipal Manager and the employees being assessed should have a session to discuss the scorecard before the formal assessment takes place.

## 5. Recommendations

- A. That Council take note of the assessment results for the Directors: EED & CORP.
- B. That Council take note that no performance bonus will be paid for the 2017/18 financial year.