



LEPHALALE MUNICIPALITY

PMS PROCESS PLAN 25/26

[Document subtitle]

Abstract

Performance Management Guidelines for Municipalities (2001) makes it clear that a strategic approach to the implementation of a Performance Management System is very important. This strategic approach should correlate with the IDP planning and review process and should interlink with the development of the budget and SDBIP for the year. Strategic direction setting from a performance driven point of view is important to focus the organisation in a performance-oriented way.

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INTRODUCTION

The Municipal Systems Act, 32 of 2000 (Chapter 5) and the Performance Management Regulations of 2006 stipulate that Municipalities should develop Performance Management Systems to confirm the intention, implementation, monitoring and review of its Integrated Development Plan's priorities. Alignment between organisational and employee performance management is imperative.

The purpose of the Lephalale Local Municipality Employee Performance Management system is to regulate the effective implementation of the performance management requirements for employees of the Municipality based on legislative requirements. It provides for a mechanism by which management shall give direction regarding the achievement of organisational objectives.

Legislations followed on implementation of Performance Management

- Labour Relations Act, No 66 of 1995.
- The Constitution, Act No 108 of 1996.
- White Paper on New Employment Policy in the Public Sector, 1997.
- Local Government: Municipal Structures Act No 117 of 1998.
- Local Government: Municipal Systems Act 32 of 2000; Local Government: Municipal Systems Amendment Act 2003 and Local Government Municipal Systems Amendment Bill, 2010.
- Municipal Planning and Performance Management Regulations and Guidelines, Notice 7146 of 2001.
- Local Government: Municipal Finance Management Act No 53 of 2003 and MFMA Regulation 493 of 2007.
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- National Treasury Framework for Managing Programme Performance Information, 2007.
- Local Government: Regulations on appointment and conditions of employment of Senior Managers, Regulation 21 of 2014.
- Municipal Staff Regulations and Senior Managers 890 Of 2020

Principles of Employee Performance Management

Employee Performance Management may be defined as the process of creating a work environment in which employees are enabled to perform to the best of their abilities, to ensure the achievement of organisational goals and objectives. It is a continuous process of clarifying job responsibilities, priorities, and performance expectations to ensure optimum performance. It is one of the key processes that, when effectively carried out, helps employees understand their contribution towards organisational performance achievements. Employee performance management therefore culminates in a methodology of cascading and integration between organisational and employee performance. It includes clarifying expectations, setting outputs and targets, providing feedback, and evaluating results.

Employee performance management involves a planned process that provides the opportunity for both the manager/supervisor and employee to identify, focus on and review the intended contributions towards the achievement of the mission and goals of the organisation. It establishes a

shared understanding about what is to be achieved and how it is to be achieved. It is an approach to manage people to increase the probability of achieving success.

The overall objective of implementing and sustaining effective employee performance management is to build human capital at strategic and operational levels throughout the Municipality. To achieve this objective an Employee Performance Management System is implemented to provide administrative simplicity, maintain mutual respect between managers and employees, and add value to day-to-day communication about performance and development issues.

More specifically, the Employee Performance Management System focuses on:

- Ensuring compliance with legislative requirements in terms of performance management
- Translating Municipal strategies into individual performance priorities
- Aid in the assessment of employee performance against objectives whilst considering the utilisation of resources
- Allowing employees to become more actively involved in achieving organisational goals and be accountable for their own performance by instilling a performance-oriented culture
- Drive organisational values, culture, and desired leadership behaviour through rewarding these elements
- Promote a clear work ethic, customer orientation and a culture of professionalism, accountability, and delivery
- Build human capital at strategic and operational levels throughout the Lephalale Local Municipality in line with the mission of the Municipality

Key Role players on implementation of PMS

Various political and administrative structures impact on employee performance. A brief description of the roles of these structures is provided below.

Executive Committee	The Executive Committee must assign the management of performance (organisational and individual) to the Municipal Manager.
Municipal Manager	<p>It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development, and implementation of an organisational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organisation and will be accountable to the mayor at agreed intervals.</p> <p>In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment, and review of the organisational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Executive Managers and Divisional Managers.</p>
Executive Managers	Executive Managers are responsible for the effective coordination of employee performance by developing objectives and indicators with employees in such a way that

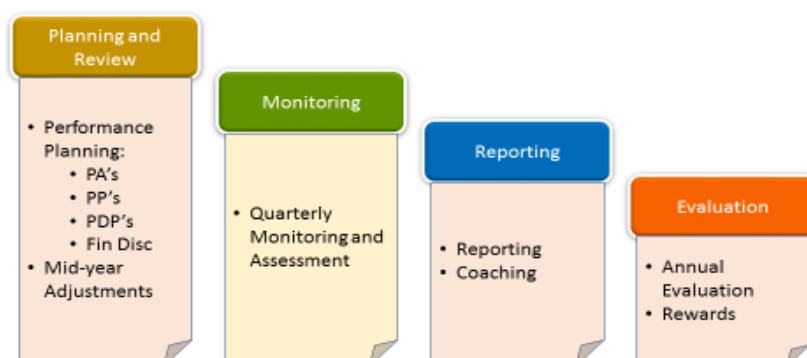
	<p>continuous improvement is encouraged. They should enter the Performance Plans with employees, and the delegation process shall be cascaded down to all levels within each Directorate.</p> <p>Executive Managers are further responsible for using the performance management process to monitor and coach employees, including providing continuous feedback and assessment. Based on assessments, executive managers are responsible for managing poor performance and recognise good performance.</p>
Individual Employees	<p>Roles and responsibilities of individual employees within the performance management framework include:</p> <ul style="list-style-type: none"> ➤ Taking responsibility for the standard of his/her own performance by improving output and competence quality ➤ Developing and implementing action plans so that set objectives can be achieved ➤ Asking their Executive Manager for information, help or advice to assist them in meeting set targets ➤ Making suggestions on how they can improve their own performance ➤ Keeping their Executive Manager informed about any problems that will negatively affect the achievement of set targets and competencies ➤ Keeping their executive manager informed about how well they are doing in relation to their objectives
Human Resources	<p>The Manager Corporate Support Services facilitates the implementation of the Employee Performance Management Programme. The HR Division is to provide guidelines, advice and instruments and will manage quality control of employee performance management efforts. They are also responsible for informing the Municipal Manager on required procedures and structures.</p>
Performance Management Unit	<p>The Performance Management Unit oversees and provides guidance on the development and implementation of the Municipal Organisational and Employee Performance Management System.</p> <p>This Unit is the custodian of performance management on behalf of senior management. Inclusive in the role and responsibilities of this Unit are:</p> <ul style="list-style-type: none"> ➤ Conducting follow-up and evaluation studies within the Municipality including attitude surveys to assess the effectiveness of the Employee Performance Management System ➤ Testing staff morale ➤ Ensuring change management is instilled ➤ Based on the findings, make recommendations to senior management to improve the overall Performance Management System
Assessment and Evaluation Panels	<p>Assessments of the Municipal Manager are to be conducted by the Mayor, and assessments of the Executive Managers to be conducted by the Municipal Manager. In the case of conflict between the Mayor and the Municipal Manager, or between the Municipal Manager and Managers, the Evaluation Panel as prescribed by Regulation 805 is to conduct mid-year and annual assessments also.</p>

	<p>Section 27(4)(d) of Regulation 805 provides details on the Evaluation panels to conduct the annual evaluations of the Municipal Manager and Managers directly accountable to the Municipal Manager.</p> <p>An assessment process is to be followed for all other employees, implying the involvement of the employee and his employer represented by his/her direct supervisor in the assessment process.</p> <p>The Evaluation Panel of the Municipal Manager and Managers directly accountable to the Municipal Manager is chaired by the Chairperson of the Audit Committee who is responsible for moderating the evaluation process. The Moderator is also responsible for resolving any disagreements that may arise. Together with the rest of the Evaluation Panel, moderators are responsible for recommending appropriate rewards and incentive schemes for excellent performance.</p>
Internal Audit	<p>Internal Audit is responsible for conducting an independent evaluation of performance assessments. To this effect Internal Audit members may sit in during several employee assessments as an observing member to validate the information included in employee PoEs. Due to the scope of assessments to be conducted, the Internal Audit may not be able to attend all employee assessments but should attend a dedicated number per level.</p> <p>The Internal Audit is responsible for reviewing performance evidence and quality assurance. They should also actively participate in the final review sessions and approval of incentives with the Audit Committee.</p>
Performance Audit Committee	<p>The Audit Committee of the Municipality can also serve as the Performance Audit Committee. The aim of the Performance Audit Committee is to evaluate and conduct an overall audit of all performance appraisals that were conducted within the Municipality.</p> <p>This includes reviewing the appraisals per executive manager, level, and division to ensure cohesion and the application of similar standards throughout the performance appraisal process.</p> <p>The Performance Audit Committee is a critical body to ensure that confidence can be created in the effectiveness and equity of the Employee Performance Management System. This committee is responsible to:</p> <ul style="list-style-type: none"> ➤ Ensure that all legislative and regulatory requirements regarding performance management are fulfilled ➤ Review and ensure the application of organisational performance management policy and strategies aligned to employee strategies and policies ➤ Review the performance of the organisation as a whole ➤ Review the performance of the Municipal Manager and direct reports to provide validity to the review process ➤ Review and ensure the application of organisational remuneration policies and strategies ➤ Ensure the payment of fair, competitive and appropriately structured remuneration ➤ Have oversight over the remuneration policies and practices of the organisation ➤ Review the findings of the Internal Auditors based on documentation made available by incumbents

	<ul style="list-style-type: none"> ➤ Approve recommendations of performance bonuses as stipulated by Evaluation Panels for the Municipal Manager and Managers directly accountable to the Municipal Manager and to give those through to Council for approval ➤ Review and recommend financial and formal non-financial performance incentives to other employees and provide a report on the matter to the Executive Management for review and approval ➤ Review the performance reward scheme of the Municipality on an annual basis
Champion Team	<p>A champion team needs to be established, consisting of key staff members from different Directorates. The purpose of such a champion team will be to develop and implement the processes involved in the Planning, Monitoring, Reporting and Evaluation of the Employee Performance Management system. The champion teams will then be trained as trainers also so that they can in turn train other staff members and ensure proper communication in the municipality relating to Employee Performance Management. It is recommended that the champion team consist of at least the following employees:</p> <ul style="list-style-type: none"> ➤ Divisional Manager Performance Management ➤ Divisional Manager IDP ➤ Divisional Manager Budget and Reporting ➤ Divisional Manager HR ➤ Skills Development Facilitator <p>It is important that the members of the champion team are committed to the process, that they are computer literate and that they are availed for training sessions.</p>

Employee Performance Management Cycle and the Process plan for 2025-26 FY

This cyclical process is followed to ensure effective and efficient employee performance management.



PMS PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
	SDBIP 2025-26 Circular 13		
	Compilation OF SDBIP 2025/26 and Review of PMS Policies	April/May 2025	EMs and PMS
	Approval OF SDBIP 2025/26	22 June 2025	Mayor /MM
	Facilitation of Performance Plans and Agreements as per Municipal Performance Regulations for Municipal Managers and Manager directly accountable to Municipal Manager	25-30 June 2025	PMS
	QUARTER ONE: 1 JULY 2025 – 31SEPTEMBER 2025		
	Signing of new performance contracts for Section 57 Managers. Section 69 of the MFMA and Section 57 of the MSA	15 July 2025	AO and Mayor
	Signing of Performance Agreements new and Performance Plans by Divisional Managers	31 th July 2025	
	Submission of the Annual Performance Report and Quarter 4 Performance Report to Internal Audit	4 August 2025 15 July 2025 Respectively	PMS/IA
	Submission of Quarter 4 Performance Report to the Audit Committee	24 July 2025	PMS /IA
	APR Working session with Audit Committee	21 August 2025	PMS / IA
	Submission of the Annual Performance Reports to Audit Committee for Comments Section 46 of MSA 2000	21 August 2025	AO/ PMS
	Submission of Annual Performance Report to Auditor General Section 45 MSA 2000	29 August 2025	PMS / AO
	Conduct Quarter4 for 24/25 Quarterly Performance Assessments and Annual Evaluation for 23-24	20 September 2025	PMS/ AO and Mayor
	Signing of new performance plans and Job descriptions by supervisors 30 August 2025	30 August 2025	PMS/HR
	Issue The 1 st Reporting Template	10 September 2025	PMS unit
	Date line for submission of Actual with Evidence to PMS unit and on the system	20- September 2025	PMS\Departments and Divisions

	Submit to Internal Audit		05 October 2025	
	Submit to Audit Committee and Stake Holders		16 October 2025	
	QUARTER TWO: 1 OCTOBER 2025 - 31 DECEMBER 2025			
	Conduct Annual Performance Evaluation 2024-25 MFMA Regulation 805, Performance Management		30 September 2025	PMS/ Evaluation Panel
	Compilation of First Quarter Performance Report Section 41 MSA 2000		15 October 2025	PMS
	Submission of the First Quarter Performance Reports to Internal Audit		16 October 2025	PMS
	Conduct Quarter1 for 25-26 Quarterly Performance Assessments		15 November 2025	PMS/AO/Mayor
	Finalize the draft 2024-25 Annual Report incorporating financial and Nonfinancial on performance, audit reports and annual financial statements.		10-20 December 2025	PMS/ Executive Managers
	Date line for submission of Actual with Evidence to PMS unit		20-December 2025	PMS\Departments and Divisions
	Submit Mid-Year and second quarter performance Report to Internal Audit		10 Jan 2026	PMS\Departments and Divisions
	Submit to Audit Committee and Stake Holders		16 January 2026	PMS
	Engagements with Audit Committee		22 January 2026	PMS
	QUARTER THREE: 2 JANUARY 2026- 30 MARCH 2026			
PMS	Senior Managers to submit Mid - year Performance Report (Q2 reports) with verified POES		06 Jan 2025	Executive Managers
	Submit Draft Annual Report 2023/24 to Internal Audit		08 Jan 2025	PMS
	Compilation Quarter 2 Performance Report / Mid - year Performance Report and submission to Internal Audit		15 Jan 2025	PMS
	Strategic Planning Session for Mid – year assessment report. Refining objectives and strategies		10-16 February 2025	EMSSS/AO / IDP
	Municipal Manager submits Midterm/Midyear Report to the Mayor MFMA Section 72 then Council		25 Jan 2025	AO/PMS
	Revise SDBIP in accordance with adjusted budget MFMA Section 54		28 Feb-10 March 2025	PMS

	Submit Annual report to AG, Provincial Treasury & Cogesta		10 Jan 2025	PMS
	Make Public the 24-25 Oversight report on the Annual Report for comments		28 Feb -15 March 2025	MPAC
	Conduct Quarter 2 for 2025-26 Quarterly Performance Assessments/ Mid-Performance Assessment		12 March 2025	PMS/AO/Mayor
	Adjust the SDBIP 2025			
	Council adopts the 2024-25 Annual Report with the comments of the Oversight Committee.		30 March 2026	MPAC
	QUARTER FOUR: 1 APRIL 2026 – 30 JUNE 2026			
	SDBIP 2026-27 , Reviewed IDP 2026-27 and budget 2026-27 alignment process, before submission to Audit Committee and council		06 April 2026	PMS/ management
	Compilation of Third Quarter Performance Reports Submit Third Quarter Report to Internal Audit		16 April 2026	PMS
			May 2025	PMS/HR
	Drafting of new SDBIP 2025-26 and scorecards by s56 managers		30 April 2026	PMS
	Draft SDBIP & Performance Agreements to the Mayor 14 days after adoption of IDP & Budget		12 May 2026	PMS
	Conduct Quarter3 for 25-26 Quarterly Performance Assessments		14 th May 2026	PMS/AO/Mayor
	The mayor approves Institutional SDBIP within 28 days of Budget approval		22 June 2026	AO/ PMS
	Submit Approved SDBIP to National & Provincial Treasury/ Cogesta and publication on the Municipal web site		01 July 2026	PMS

Conclusion

The Performance Audit Committee fulfils an oversight role in terms of employee performance management policies within the Municipality. The establishment of such a body is required in terms of Section 45 of the MSA whereby the Municipality is required to implement mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process. In the Lephalale Local Municipality this function is fulfilled by the Audit Committee.