

Employee qualification profile
Employee qualification profile as at 30 June 2007

Employment category	Highest level qualifications held by employees																							
	Below NQF 1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown		Total			
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	Total	
6. Machine Operators and Drivers																								
Core Admin																							0	
Core Finance																							0	
Legal																							0	
IT																							0	
Procurement																							0	
HR and Training																							0	
Property Valuation																							0	
Rates																							0	
Billing																							0	
Client Services																							0	
Parks																							0	
Community Facilities																							0	
Libraries																							0	
Recreation Centres																							0	
Primary Health Care Facilities																							0	
Cemeteries																							0	
Environmental Health																							0	
Pollution Control																							0	
By-laws																							0	
Licensing																							0	
Fire & rescue																							0	
Disaster Planning and Management																							0	
Public Safety																							0	
Traffic Management																							0	
Public Transport																							0	
LED/IDP/Urban Planning																							0	
Municipal Planning																							0	
Land use management																							0	
Housing																							0	
Roads and Stormwater																							0	
Solid Waste and Landfill																							0	
Water supply and waste water																							0	
Electricity																							0	
SUB-TOTALS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Courses attended by Koukamma Councillors and Employees	Total
Batho Pele	3
Fire Fighting	1
Skills Development Facilitation	1
Water Purification	5

2.2.1 Challenges

Councillors and staff in their busy schedules find it difficult to prioritise training matters and therefore there is never 100% attendance on courses.

The status of training committees in the municipality is also a matter of concern. A strategy is to be developed to improve the training programme of the municipality.

2.3 Employer/Employee Relations

The Koukamma Municipality and organised labour generally continued with their spirit of mutual respect and co-operation during the period under review despite the illegal strike action that took place and for which disciplinary procedures were implemented.

The Local Labour Forum, a committee comprising of representatives from the employer and the employee components which deals with human resources related matters is in place. Of the twelve meeting scheduled for the year only four took place. All recommendations emanating from this forum are referred to Council for approval and implementation.

CHAPTER 3:

MUNICIPAL PERFORMANCE REPORT

3.1 Performance Review Report

3.1.1 Introduction

Koukamma Municipality undertook a Performance Review for the whole 2006/7 Financial Year. The review was carried out and completed over two days from 27 – 28 February 2008.

During the period under review, no full-time appointment had been made to the position of Chief Financial Officer. Furthermore, at the time of review, the acting Chief Financial Officer was incapacitated in hospital. The Municipal Manager requested that the Finance Department be reviewed with input from the Accountants for Revenue and Expenditure.

3.1.2 Procedure

3.1.2.1 PREPARATION OF PERFORMANCE PLANS AND SCORECARDS

- 3.1.2.1.1 Performance plans were drafted in consultation with the Manager Corporate Services and based directly on the IDP and SDBIPs prepared by each manager. The plans were then circulated to each manager for revision and approval.
- 3.1.2.1.2 Plans were signed by the managers and submitted to Council for approval but did not go through any further public process.
- 3.1.2.1.3 The Municipal Manager was assigned all of the National KPIs weighted according to the DPLG guidelines with a total weight of 100.
- 3.1.2.1.4 The Directors were assigned the legislated KPIs for which they could be held fully accountable, each weighted according to its importance for their jobs but also with a total weight of 100.
- 3.1.2.1.5 The Municipal Manager and Directors were assigned all of the Core Competencies each weighted according to its importance to their jobs with a total weight of 25.
- 3.1.2.1.6 The Manager Corporate Services elected to list all of the Objectives, Strategies and Projects identified in the IDP in the Municipal Manager's Scorecard with an indication of how they had been delegated for control purposes.
- 3.1.2.1.7 It was agreed with the Municipal Manager that the final ratings for each senior manager on the Objectives, Strategies and Projects delegated to them would be incorporated into the Municipal Manager's Scorecard.
- 3.1.2.1.8 A separate Municipal Scorecard was prepared based on the enterprise's strategic plan. Refer to Municipal Scores in 4.5 below.
- 3.1.2.1.9 Senior Managers were assigned all of the Objectives and Strategies located in their departments by the IDP process for which they could be held accountable in the period under review.
- 3.1.2.1.10 Performance on all projects that amounted to ongoing, routine work was reviewed against Critical Performance Indicators for the Municipal Manager and Senior Managers.
- 3.1.2.1.11 Performance on all capital projects was reviewed under IDP Project Commitments.
- 3.1.2.1.12 Budget Votes for the period under review were included.

3.1.2.2 WEIGHTING

- 3.1.2.2.1 The KPIs were weighted according to DPLG guidelines, which amounted to a total weight of 100.
- 3.1.2.2.2 The Core Competencies were assigned a total weight of 25 in order to facilitate a manual calculation of weights that would ensure the prescribed ratio of 20% in relation to the total combined weights of Core Competencies plus KPIs being 125. (In future this could be done by the software that automatically adjusts weights to ensure the 80/20 ratio).
- 3.1.2.2.3 Thereafter, owing to time constraints and in order to establish baseline weights on which to base future calculations, weights were allocated to each standard in each performance plan by averaging the total weight for each KPA across its KPIs and the remaining total number of standards in each plan.

3.1.2.3 RATING

- 3.1.2.3.1 In the Howard Cook System, each official first rates his/her own performance against his/her standards on the basis of available evidence. Each official's performance is then rated by his/her supervisor or review panel. The officials then meet to discuss and reconcile any differences in ratings.
- 3.1.2.3.2 No panels were used in this review.
- 3.1.2.3.3 Normally the evaluation process would involve a review of the job and an appraisal of the person doing the job. However, since the evaluation process was behind schedule, it was decided to conduct job reviews only. All managers agreed to give an open and frank review of the work done during this period. If work was below standard, even though the circumstances might have been beyond the control of the incumbent, a below standard rating was given in order to highlight functional areas of the municipality that require corrective action. Whilst not detracting from the accountability of the officials in any way, it is noted that the results of this review do not necessarily reflect the efforts of the officials concerned.

3.1.2.4 EVIDENCE

- 3.1.2.4.1 Managers were required to base all ratings on evidence that they would be able to produce on request as indicated in the Source of Information section of their Performance Plans.
- 3.1.2.4.2 It was agreed that, where there was a discrepancy between the ratings of the team member and the supervisor, the supervisor would request specific evidence on which to base the reconciliation of the ratings.

3.1.2.5 REPORTING

- 3.1.2.5.1 The consultant will submit the Performance Review Results and Report to the Municipal Manager and the Manager Corporate Services.
- 3.1.2.5.2 The Review Report will then be submitted to the Finance & Corporate Standing Committee. If the report is to be used to consider the awarding of performance bonuses, it will be submitted to Council via the Remuneration Committee.

3.1.3. Notes

The following factors that could influence the integrity and validity of the results of the performance review are noted:

- 3.1.3.1 Special dispensation was requested from Council to carry out one review for the whole 2006/7 Financial Year in order to bring the review process up to date.

However, this meant that managers reviewed their performance for the entire year in retrospect.

3.1.3.2 The Performance of the Finance Department was reviewed with input from the Accountants for Revenue and Expenditure in the absence of the acting Chief Financial Officer. It is likely, therefore, that the ratings were subjective. The acting CFO's Core Competencies were rated by the Municipal Manager only.

3.1.3.3 Ratings for all indicators relating to operating and capital budgets for the year are subject to validation against the Financial Expenditure Report when it becomes available.

3.1.3.4 It must be emphasized that Howard Cook Associates does not review the officials. Officials evaluate their own performance against their standards based on validating evidence and are then reviewed by their supervisors. Howard Cook Associates simply facilitates the process.

3.1.4. Results

The results of the performance review are shown on the scorecards under **Appendix 1** and are summarized in the table below:

Table 1: Performance Scores

2006/7 Financial Year		
Scorecard	Official	Total % Performance Score
Municipal Manager	Mkhuseli Ndokweni	80.56
Municipal	Mkhuseli Ndokweni	76.62
Manager Technical Services	Christo Jonker	76.78
Manager Community Services	Jeffrey Ruiters	73.15
Manager Corporate Services	Riette Herselman	80.07
Chief Financial Officer	Cornelius Oudshoorn (Acting)	73.91

3.1.4.1 Analysis of the above results would suggest the following:

3.1.4.1.1 The Mayor's rating of the Municipal Manager was too lenient

3.1.4.1.2 The Mayor's rating of the Municipal Manager was accurate

3.1.4.1.3 The Municipal Manager's rating of the Technical Services Manager was too strict

3.1.4.1.4 The Municipal Manager's rating of the Technical Services Manager was accurate

3.1.4.1.5 The Municipal Manager's rating of the Community Services Manager was too strict

3.1.4.1.6 The Municipal Manager's rating of the Community Services Manager was accurate

3.1.4.1.7 The Municipal Manager's rating of the Corporate Services Manager was too lenient

3.1.4.1.8 The Municipal Manager's rating of the Corporate Services Manager was accurate

3.1.4.1.9 The validity of the Municipal Scores should be considered separately under 4.5 below.

3.1.4.2 Considering that the score for the Manager Corporate Services of 80.07% is the reconciled score from an original rating of 75.43% by the Municipal Manager and that there is a good correlation between this reconciled score and the score given independently to the Municipal Manager by the Mayor, this would suggest that the following statements above are true:

- 3.1.4.1.2;
- 3.1.4.1.3;
- 3.1.4.1.5;
- 3.1.4.1.8;
- 3.1.4.1.9;

3.1.4.3 After discussion with the Municipal Manager, it is therefore recommended that the scores for the other managers be moderated upwards by 5%

The final scores, moderated accordingly, are shown in the table below:

Table 2: Moderated Performance Scores

2006/7 Financial Year		
Scorecard	Official	Total % Performance Score
Municipal Manager	Mkhuseli Ndokweni	80.56
Municipal	Mkhuseli Ndokweni	76.62
Manager Technical Services	Christo Jonker	81.78
Manager Community Services	Jeffrey Ruiters	78.15
Manager Corporate Services	Riette Herselman	80.07
Chief Financial Officer	Cornelius Oudshoorn (Acting)	78.91

3.1.4.4 For the financial year under review, the results indicate that:

- 3.1.4.4.1 The Technical Services Department performed 18% **below** standard
- 3.1.4.4.2 The Community Services Department performed 22% **below** standard
- 3.1.4.4.3 The Corporate Services Department performed 20% **below** standard
- 3.1.4.4.4 The Finance Department performed 21% **below** standard
- 3.1.4.4.5 The Municipality as a whole performed 19% **below** standard based on the ratings agreed to for the Municipal Manager

3.1.4.5 Municipal Scores

The issue of institutional vs individual assessment is discussed further under 7.2 below. It is simply noted here that any manipulation of the scorecard statistics must be in accordance with the principles of the evaluation model that has been adopted by the Municipality. Any modification of these results in an attempt to accommodate the principles of a different evaluation model would render the results of the adopted model invalid.

The requirement for a separate Municipal assessment based on the current evaluation model can be met in two ways:

- 3.1.4.5.1 By using the Enterprise Strategic Plan that is essentially the same as the Municipal Manager's Plan, excluding the Manager's Core Competence Requirements (CCRs) and specific Assignments.
- 3.1.4.5.2 By summarising the ratings agreed to for the Municipal Manager on each of the Key Performance Indicators (KPIs) in each of the Key Performance Areas (KPAAs) for all municipalities as identified by the National Department.

In this instance, the second method is valid since the first method amounts to little more than a statistical calculation, whereas the second method is based on actual ratings for which a person is accountable. The first method can serve little purpose other than to control whether the ratings of the manager's CCRs and Assignments have been used to inflate the manager's overall score unduly. A more valid way to achieve this control is to compare the overall rating of the Municipal Manager by the Mayor with the overall ratings agreed to by the Municipal Manager for the members of the senior management team. Logically, there should be a correlation between the Municipal Manager's Score and the scores of his team members, unless there is good reason for this not to be the case.

Accordingly, the institutional assessment of the Municipality is shown by summarising the ratings for the Municipal Manager on each of the National KPIs in the table below:

Table 3: Summary of Overall Municipal Performance in National Key Performance Areas for 2006/7

KPA	% Performance Scores per Quarter*	Annual % Performance Scores per KPA
	1 – 4	
Municipal Transformation and Organisation Design	72.22	72.22
Infrastructure Development and Basic Service Delivery	79.49	79.49
Local Economic Development	62.50	62.50
Municipal Financial Viability and Management	71.43	71.43
Good Governance and Public Participation	68.75	68.75
Overall % Performance Score per Quarter	70.67	Overall Annual % Performance Score
*Based on the ratings agreed to for the Municipal Manager on each of the KPIs		70.67

3.1.4.5.3 From the above scores, it can be concluded that, in the 2006/7 financial year, Koukamma Municipality performed 29% **below** standard in the National Key Performance Areas.

3.1.5. Findings

3.1.5.1 Although the Performance Plans had been signed by the senior managers and approved by Council, they had not been made available to the community for review and comment.

3.1.5.2 The Municipality has not adopted a performance management policy.

3.1.5.3 The current lack of middle management in the municipality means that several operational items that should be delegated remain in the performance plans of senior managers for control purposes. The result is that the scorecards of senior managers are inordinately long.

3.1.6. Recommendations

- 3.1.6.1 The Municipality needs to develop a PMS Policy to address:
- 3.1.6.1.1 The public process to be followed in the preparation of performance plans and the monitoring of reviews.
 - 3.1.6.1.2 The internal process to be followed in submitting the results of performance reviews to Council including the constitution of a PMS Audit Committee.
 - 3.1.6.1.3 The internal process to be followed for the Quarterly reporting of performance results and their incorporation into the Annual report.
 - 3.1.6.1.4 Compliance of officials with the review process including but not limited to: matters of absenteeism from scheduled reviews, failure to submit adequately prepared plans with appropriate standards, failure to submit performance reports in the agreed format, and failure to produce evidence of performance on request.
- 3.1.6.2 Although the quality of standards derived from the 2006/7 IDP is higher than those derived from the 2007/8 IDP, it is important that a process of refining and improving the quality of standards is undertaken annually, taking particular note of:
- 3.1.6.2.1 Reducing the length of scorecards by improving the formulation of objectives and strategies to include fewer operational items and by focusing on the critical few standards.
 - 3.1.6.2.2 The allocation of National KPIs according to accountabilities.
 - 3.1.6.2.3 Allocation of weights to all measurable indicators within the prescribed 80/20 percentages.
 - 3.1.6.2.4 The formulation of all indicators to be clear, specific, attainable with effort and measurable including specified quantifiable measurements based on statistical baseline information where applicable (Actual % reductions, % increases, Rand Values etc).
- 3.1.6.3 The Performance Review should lead to the preparation of corrective action plans by agreed deadlines and these should be included in performance plans as assignments for review in the next quarter.
- 3.1.6.4 Preparations carried out by officials for future reviews should include submission of the following to their supervisor a week before the review:
- 3.1.6.4.1 A completed Scorecard with references to specific evidence to validate performance (such as audit reports, progress reports, financial documents, inspection/sampling results, logs etc). Officials must be able to produce this evidence on request, preferably in electronic format or hard copy if necessary.
 - 3.1.6.4.2 A list of priorities for corrective action
 - 3.1.6.4.3 Proposed corrective action plans
 - 3.1.6.4.4 A completed Personal Development Plan
- 3.1.6.5 Preparations for the 2008/9 Reviews should take cognisance of the following:
- 3.1.6.5.1 The selection and briefing of panels to review Section 57 Officials in accordance with DPLG Regulations August 2006.
 - 3.1.6.5.2 Agreement on the procedure to be followed for panel reviews which should allow for:
 - 3.1.6.5.2.1 Self-review followed by panel review and reconciliation of ratings