

**DRAFT**

**ANNUAL PERFORMANCE REPORT**

**2013 / 2014  
Municipal Year**



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### ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

#### 1. Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

#### *"Annual performance reports*

46. (1) A municipality must prepare for each financial year a performance report reflecting -

- (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) *measures taken to improve performance.*
- (2) ***An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.***

## **2. Introduction**

The first performance management framework was adopted by the Jozini Municipality on 26 November 2006. The framework was reviewed and amended during 2006/2007 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal.

The Performance Management function of Jozini Municipality was previously outsourced to an external service provider and Council resolved during the 2009/2010 financial year to create an internal Performance Management Unit within the Office of the Municipal Manager.

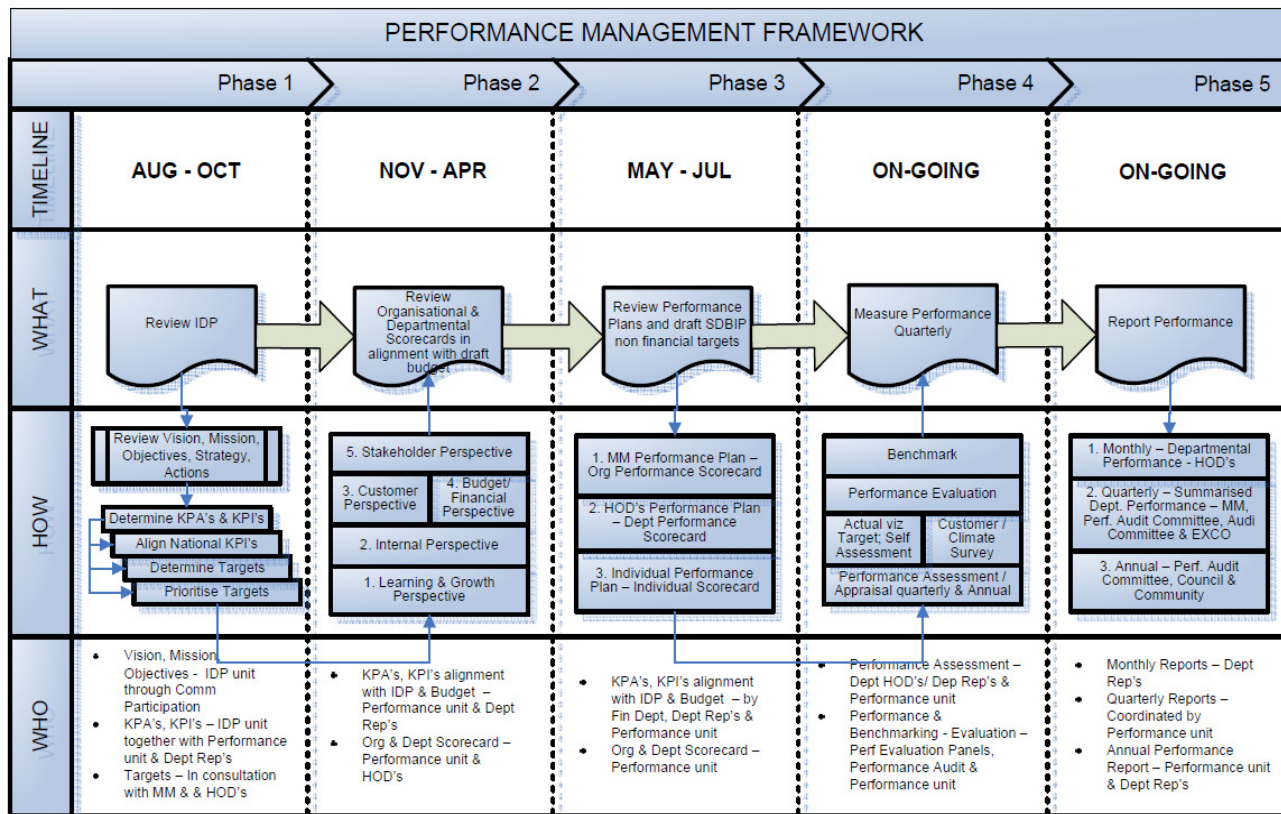
The Performance Management Framework and Policy review for the 2013/2014 financial year was adopted by Council per item Council resolution JMC 252 and is available on Councils Committee Officer.

## **3. Organisational Performance Management Process**

Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council's priorities) for the new five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2013/2014 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Heads of Departments. These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

The following diagram illustrates a summary of the newly developed performance management framework for the Jozini Municipality for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:



Jozini Performance Management Framework diagram

#### 4. Performance Audit Committee

The Performance Audit Committee for the 2013/2014 financial year was re-affirmed in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and the members are as follow:

- Mr Z.I. Ngcobo – Chairperson (external member)
- Mr D. L Mpontshane( External Member)
- Mr S. Kunene(External Member)

The Performance Audit Committee has met quarterly on 16 August 2013, 15 November 2013, 28 March 2014 to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2013/2014 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

## 5. Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons was established -

- (i) Mayor – KZ272
- (ii) Chairperson of the Performance /Audit Committee.
- (iii) Member of the Mayoral or Executive Committee.
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Mayor.

Clr B.N. Mthethwa	Mayor
Clr R.H. Gumede	Exco Member
Mr Z. I. Ngcobo	Chairperson of the Performance/ Audit Committee
Mr A. Dhlomo	A Mayor/MM from another Municipality (Big 5-False
Mr L.E. Menyuka	Ward Committee member (nominated by the Mayor)

For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager -KZ272
- (ii) Chairperson of the Performance/ Audit Committee
- (iii) Executive Committee Member
- (iv) Municipal Manager from another Municipality- Big 5- False Bay
- (v) Ward Committee Member

Mr L.C.Maka	AMM-KZ272
Mr Z.I. Ngcobo	Chairperson of the Performance/ Audit Committee
Clr R.H Gumede	Exco Member

Mr A. Dhlomo	Municipal Manager from other Municipality (Big 5 False Bay Municipality)
Mr L.E. Menyuka	Ward Committee Member

Performance Evaluation sessions were performed on 5<sup>th</sup> October 2013 covering the first quarter of the 2013/2014 financial year on progress over the first three months from 1 July 2013 to 30 September 2013. Formal Evaluation sessions covering the first six month period of the covering the period 01 October 2013 to 31 December 2013 were held on 17<sup>th</sup> of January 2014. Performance Evaluation sessions were performed on 19<sup>th</sup> April 2014 covering the Third quarter of the 2013/2014 financial year on progress over the ninth months from 1 January 2014 to 30 March 2014. The Final Assessment 2013/2014 held on the 05<sup>th</sup> of August 2014

#### PMS SUMMARY OF FINAL -TERM RESULTS 13/14 FOR SECTION 56/7

NAME & DESIGNATION	CCR Results	KPA Results	Final Score	Score Rating
1. Municipal Manager(Organisational)	15%	55%	70%	4
2. Mr S.W.Zondo (Exc. Director Corporate and Community Services)	15%	55%	70%	4
3. Mr S.Bhengu (A Exc. Director Planning and Technical)	15%	66%	76%	4
4. Mr V.I. Gumede (Acting Chief Financial Officer)	14%	56%	70%	4
<b>TOTAL</b>	<b>20%</b>	<b>80%</b>	<b>Aver=70%</b>	<b>Aver=4.</b>

APPROVED BY: Mr L.C. Maka ( AMM)

DATE: 05 August 2014

An informal performance evaluation was again performed on 19 April 2014 on progress on performance over the third quarter covering the period 1 January 2014 to 31 March 2014 of the 2013/2014 financial year. The final performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the completed 2013/2014 financial year held on the 5<sup>th</sup> August 2014. The final performance evaluation results and scores will be reported via the Performance Audit Committee to the Executive Committee and Council before submission of the 2013/2014 Annual Financial Statements and the 2013/2014 Annual Report.

## 6. Auditing of Performance Information

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

Umnotho Business Consulting has been appointed by Jozini municipality as the Internal Auditors commencing their services on **01 December 2012**. As part of their scope, auditing of the Performance Management System and Audit of Performance Information was performed and reports received for each quarter in terms of the following:

Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Performance score verification (Municipal Manager and Deputy Municipal Managers);</li> <li>• Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>

Review of Performance Information - Quarter 4 (Annual Report)	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>
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The Auditor General is performing a complete auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard attached.

### **7. Annual Organisational Performance Information**

The annual performance reporting on the 2013/2014 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Draft Organisational Performance report is herewith presented to the Auditor General for auditing together with the Annual Financial Statements on 30 August 2014.

This Annual Performance Report (Tables) once finalized and approved should be read in conjunction with the Jozini Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information for 2013/2014.

The following table reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year as well as reflecting corrective measures to be taken in the 2014/2015 financial year in cases of under achievement: