

# UMZIMVUBU LOCAL MUNICIPALITY



**PROCEDURE MANUAL  
FOR  
INSTITUTIONAL PERFORMANCE MANAGEMENT**

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## **1. Purpose**

In terms of Chapter 3 Section 7(2) (b) of Local Government Municipal Planning and Performance Management Regulations of 2001, when developing performance management system, the municipality must ensure that the system demonstrates how the system will operate and managed from planning stage up to the stages of performance review and reporting. Therefore the purpose of this manual is aimed at providing guidelines on how performance of the entire institution will be planned, monitored, measured, improved and maintained in order to enhance efficiency and effectiveness of the institution.

## **2. Performance Planning Process**

### **2.1 Development of the Service Delivery and Budget Implementation Plan**

After the Draft Integrated Development Plan has been adopted by Council in March of every year, the management develops the Draft Service Delivery and Budget Implementation Plan that should be aligned to the Draft IDP and Draft Budget. The Draft SDBIP is presented to management for purposes of consolidating cross-cutting issues and avoidance of duplication.

The Draft SDBIP is then presented to the Portfolio Committee for comments and proposed amendments. After comments and proposed amendments have been considered by the Portfolio Committee, it is then presented to the Council Strategic Planning Session that sit during the month of May of every year, whereby the Final IDP and Final Budget is presented. The Council considers the Draft SDBIP, provide their inputs, comments and proposed amendments. The proposed amendments are then considered within 21 days from the time Draft SDBIP is publicized for public comment and representation. The Final SDBIP is then approved by the Mayor within 28 days of the adoption of the final IDP and Budget.

Section 57 Managers' Performance Plans will be developed and aligned with the institutional SDBIP. Performance Plans for all Managers below the Section 57 Managers will also be developed in line with the Performance Plans of the Section 57 Managers. All staff members will develop and sign performance plans with the first month of the first quarter (i.e. July). The performance plans must be signed by both the employee and the supervisor. The signing of the performance plan should take place after the employee and the employer has agreed on the responsibilities detailed on the plan.

- a) The purpose of the performance plan shall be to ensure that both the employee and the supervisor have the common understanding of the performance expectations for the performance year.
- b) It also ensures that employees work towards the achievement of strategic objectives as set out and prioritised in the Integrated Development Plan (IDP) and the SDBIP.

## **2.2 Institutional Performance Reviews**

**The performance of the municipality shall be reviewed on a monthly, quarterly, half yearly and annual basis.**

### **2.2.1. Monthly Reporting**

- a) On a monthly basis, managers shall present a monthly plan to the management committee.
- b) The Management Committee shall comprise of the Municipal Manager who shall also chair the meeting, Heads of Departments, Assistant Managers, Project Managers and Secretariat.
- c) The monthly plan shall reflect all the activities and tasks that will take place in the forthcoming month, developed directly from the approved SDBIP and reflects how such activities for the month will contribute towards the achievement of the quarterly milestone indicated in the SDBIP.

- d) On the 26<sup>th</sup> day of every month, the Agenda Items and the SDBIP Report for the month shall be forwarded to Sound Governance for consolidation and preparation of the Agenda the Management Committee Meeting.
- e) On the 1<sup>st</sup> working day of every month, the management shall convene to consider monthly performance reports.
- f) Performance reports will be presented by Assistant Managers to the Management Committee reflecting progress on achievement of activities and tasks as envisaged for the month.
- g) After the MANCO has endorsed the monthly report, the report will then be presented to Portfolio Committees by Heads of Departments on a monthly basis.
- h) Portfolio Committee meetings will sit monthly, within a period of two weeks from the sitting of the Management Committee meeting.
- i) The Portfolio Committee meeting will comprise of the Portfolio Head who shall also chair the meeting, councillors who are serving in various portfolio committees, the Head of Department and Secretariat.
- j) The performance report will then be presented to the Executive Committee meeting by the Portfolio Head on a monthly basis.
- k) The Municipal Manager and Heads of Departments shall provide clarity and technical expertise to the Executive Committee.
- l) The Executive Committee shall be made up of the Mayor who shall also chair the meetings, Portfolio Heads of various Standing Committees (Portfolio Committees), the Municipal Manager, all Heads of Departments and Secretariat.
- m) After the monthly performance report has been endorsed by the Executive Committee, it will be presented to the Municipal Public Accounts Committee for its oversight responsibility.
- n) On a bi-monthly basis the Council shall convene to consider the performance report.

### **2.2.2. Quarterly Reporting**

- a) At the end of every 3 months, a quarterly performance report shall be prepared by respective departments and presented to the Management Committee.
- b) The quarterly report shall reflect progress on achievement of the quarterly milestone, as pre-determined in the Service Delivery and Budget Implementation Plan.
- c) After the Management Committee has endorsed the quarterly performance report, it will be presented to Portfolio Committees by Heads of Departments within two weeks of the sitting of the Management Committee.
- d) After the quarterly report has been considered by the Portfolio Committee, it will be presented to the Executive Committee meeting by the Portfolio Head.
- e) The Executive Committee shall sit within three weeks from the sitting of the Management Committee.
- f) After consideration of the Quarterly Report by the Executive Committee, the report is presented to Council by the Mayor within 1 month after the end of the quarter.
- g) The quarterly report will then be presented to the Municipal Public Accounts Committee for its oversight responsibility.
- h) The report will be presented to the Internal Audit Unit for audit purposes.

### **2.2.3. Mid-Year Reporting**

- a) A mid-year performance report shall be prepared by respective departments and presented to Departmental Strategic Planning and Team Building Sessions which shall convene during December of every year.
- b) The Departmental Strategic Planning Sessions will be comprised of Councillors, Management, and Staff as nominated by HOD's.
- c) The mid-year report shall reflect progress on achievement of the mid-year milestone, as pre-determined in the Service Delivery and Budget Implementation Plan.

- d) The Mid-year report will be presented to the EXCO Strategic Planning Session during December of every year.
- e) The EXCO Strategic Planning Session will be comprised of the Mayor, Portfolio Heads, the Municipal Manager, All Heads of Departments and Secretariat.
- f) After the Mid-year Performance report has considered by the EXCO, the Mid-year report shall be presented to the Council Strategic Session that will sit in January of every year.
- g) The Council Strategic Session shall be comprised of Councillors, Management and Secretariat.
- h) The Mid-year Performance Assessment Report shall be presented to Council by 25<sup>th</sup> January of every year and sent to Treasury and the Office of the Auditor General.
- i) The Mid-year Performance Assessment Report shall be considered alongside consideration of the Adjustment Budget.
- j) The Service Delivery and Budget Implementation Plan for the remaining half of the financial year may be revised; it needs be, to pre-determine the performance of the municipality until the end of the financial year.
- k) The Revised SDBIP shall be approved by the Mayor within 30 days of the start of the second half of the financial year, i.e. January.
- l) The Mid-year Performance Assessment Report will then be presented to the Municipal Public Accounts Committee to play its oversight responsibility.
- m) The report will be presented to the Internal Audit Unit for audit purposes.

#### **2.2.4. Annual Reporting**

- a) The municipality shall prepare a Municipal Annual Performance Report within 1 month of the end of the financial year, i.e. July.
- b) The Annual Performance Report shall give a synopsis of the municipal performance, measured against pre-determined objectives, as contained in the SDBIP and Reviewed SDBIP.

- c) The APR shall be consolidated by the IDP, IGR and Municipal Performance unit, scrutinised and presented to the Internal Audit for verification and validation of the information reported.
- d) The report shall then be presented to the Office of the Auditor General alongside presentation of the Annual Financial Statements (by August of every year).
- e) Upon receipt of the Auditor Generals' report on the Annual Performance Report (in November) the IDP, IGR and Municipal Performance unit develops an Annual Report.
- f) The Annual Report shall be developed in line with applicable Treasury Regulations.
  
- g) The Annual Report shall be presented to Council, alongside presentation of the Oversight Committee Report (MPAC).

### **3. Inception Date of the Procedure Manual**

The Procedure Manual will be effective from the date of approval by the Municipal Manager and should be read with the PMS Policy.

### **4. Review**

The Procedure Manual will be reviewed or amended annually and the amendments must be approved by the Municipal Manager.