! Kheis
Munisipaliteit
Municipality

PERFORMANCE MANAGEMENT FRAMEWORK

2026/2027

Reviewed and Approved June 2026

Acronyms

EXCO	Executive Committee
IDP	Integrated Development Plan
PMS	Performance Management System
OPMS	Organisational Performance Management System
MSA	Municipal Systems Act No. 32 of 2000
MFMA	Municipal Finance Management Act No. 56 of 2003
LRA	Labour Relations Act No. 66 of 1995
KPI	Key Performance Indicator
KPA	Key Performance Area
SDBIP	Service Delivery and Budget Implementation Plan
CSF	Critical Success Factor
PI	Performance Indicator

- Local Government: Municipal Staff Regulations, 2021
- Human Resource Framework
- Training and Skills Development Framework
- Disciplinary and Grievance Procedure

5. DEFINITIONS

All terminology used in this framework shall bear the same meaning as in the applicable legislation, or as defined and / or explained in the Glossary of the framework.

6. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

- To promote the objects and developmental duties of the Municipality as set out in Sections 152 and 153 of the Constitution;
- To promote a culture of service to the public, accountability, mutual co-operation and assistance amongst staff members;
- To institutionalise performance planning, monitoring and evaluation in the Municipality;
- To maximise the ability of the municipality to achieve its objectives and improve the quality of life of its residents by aligning municipal-wide, departmental and individual performance;
- To build a common understanding among staff members of the Municipality's objectives contained in the Integrated Development Plan (IDP) and annual performance plan;
- To set clear performance indicators and performance targets by communicating to staff members how their roles contribute to the success of the Municipality;
- To build individual capability, skills, competencies that are key to the Municipality achieving its mandate and objectives and encourage commitment among staff members;
- To create an enabling environment to plan, monitor and measure performance against set targets or outputs;
- To encourage desired behaviours as articulated in the Code of Conduct for Municipal Staff Members, as contained in Schedule 2 to the Municipal Systems Act;
- To identify and improve substandard performance of staff members;
- To recognise performance of staff that have achieved a rating of performance significantly above expectations and outstanding performance.

8. ROLES AND RESPONSIBILITIES

Table 2: Roles and Responsibilities

Council	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities. Approves the Performance Management Framework. Provides oversight supported by MPAC on Performance of the municipality.
Executive Mayor	The Executive Mayor delegates the responsibility for the development and management of the Performance Management System to the Municipal Manager. Enters into a Performance Agreement with the Accounting Officer and monitors performance of the Accounting Officer.
Executive Committee	Develop the municipal Performance Management System.
MPAC	Provides oversight, monitors, reviews and evaluates Performance of the Municipality.
Audit Committee	Continually monitor and audit the municipality and looks amongst other matters, at compliance with performance management requirements. The Committee meets at least twice a year to review both the performance of the municipality and its employees and to objectively comment on the way in which the PMS is being used at the Municipality. Twice a year it also reports on performance, one of these reports is contained in the annual report of the municipality.
Internal Audit Unit	The municipality's internal audit function must audit the performance management system to ensure both compliance and correct application. The team will also look to test whether the contents of this framework are implemented including a test for fairness, objectivity, and uniformity. The Internal Audit team can look at any documentation they require to conduct their testing. The Internal Audit team will also be responsible, as part of their testing to review a random sample of reviews and associated 'proof' / 'means of verification'. If it is found through this process that an incorrect allocation of ratings has been assigned, all employees reporting to the respective manager must be reviewed to test for correct application.
Auditor General	The Office of the Auditor General is required to annually test compliance with both legislation and internal frameworks. They will also check the documentation the Internal Auditors have collected. Again, the staff of the Auditor General is permitted to view any documentation pertaining to performance

	ensure fairness and correct application. • Research as to the strategic progress of the municipality and reporting on achievement or otherwise of objectives and strategies.
Human Resources Management	Create an enabling environment to facilitate effective performance by the staff member; Within the available resources, provide access to skills development and capacity building opportunities; Work with the staff member to solve problems and generate solutions to common problems that may impact on the performance of the staff member; On the request of the staff member delegate such powers reasonably required by the staff member to enable him or her to meet the performance objectives and targets established in terms of the performance agreement; Within the available resources of the Municipality, make available to the staff member such resources as that staff member may reasonably require from time to time to assist the staff member to meet the performance objectives and targets established in terms of the performance agreement; Consult the staff member timeously where the exercising of the powers will have, amongst others – • a direct effect on the performance of any of the staff member's functions; • commit the staff member to implement or to give effect to a decision made by the Municipality; and • a substantial financial effect on the Municipality.
Employees	A staff member of the municipality is a public servant in a developmental local government system, and therefore shall – **(a)** be committed to serve the public and to a collective sense of responsibility for performance in terms of standards and targets; and **(b)** participate in the overall performance management system of the municipality, as well as the staff members' individual performance evaluation and reward system to maximise the ability of the municipality, to achieve its objectives.
Organised Labour	• To provide the labour viewpoint to analysis and proposals on how to improve the Performance Management System. • To represent members' interests, specifically in relation to access to the process and the fairness of the system. • To participate in the public review of

9. IMPLEMENTATION OF THE PMS

Performance management at the municipality will be monitored in three different levels namely:

Table 3: PMS Monitoring Levels

Organisational	The performance management of the organisation as a whole and measurement of the realisation of Strategies, Objectives, KPAs and KPIs as defined in the IDP.
Section 54A & 56	The Municipal Manager and Senior managers are appointed in terms of Section 54A & 56 of the Municipal Systems Act. The Act states that such employees must annually sign a performance agreement containing a performance plan. The performance agreements of Senior managers are managed by the Municipal Manager, and that of the Municipal Manager by the Mayor on behalf of council.
Non-section 54A & 56 Employee's (Section 66 employees)	Employee performance management seeks to align itself with the Section 57 method of monitoring with three exceptions; firstly, employees do not have to be appointed on contractual terms; secondly, general employees are required to sign a performance agreement, a performance plan and personal development plan. Such will be managed by their assigned manager in accordance with the municipal organogram.

9.1 THE PERFORMANCE MANAGEMENT CYCLE AND PLANS

There are various key phases in the performance management cycle as shown below:

Figure 1: PMS Cycle



During the discussions regarding what projects will be chosen for the coming financial year, various factors are considered, ranging from need to availability of resources; from national priorities to how many people the project will benefit locally. The available budget is also a very important factor. Not all projects will require funding. We make sure that adequate budget is provided for all projects requiring finances through the SDBIP formulation.

9.1.2 The Service Delivery and Budget Implementation Plan (SDBIP)

Legislation states that indicators and targets must be formulated and delegated to all employees within the municipality. Once approved, the IDP is married with the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP), which provides a workable management tool from which to operate under and monitor progress of the institution. The SDBIP does the following: -

- Presents projects as 'indicators' aligned to the accompanying strategies, objectives, and developmental priorities
- Attaches an annual target to each indicator
- Ensures that each indicator that requires funding has been allocated an account number in the budget with a corresponding amount
- Ensures that the spending of each account in the budget can be monitored through the PMS
- Breaks down each indicator into quarterly manageable targets to allow for continual monitoring of performance (certain indicators are specified as only being able to be monitored half yearly or annually)
- Assigns an accountability to each indicator

The SDBIP is approved by the Mayor 28 days after the budget has been formally approved at a Council meeting. At the same time, the Mayor agrees on the details of the performance plan for the Municipal Manager and gives consent to the plans for all the Section 54&56 employees (top management). The process for SDBIP assessments:

- Pre assessment: - Review of evidence and capturing thereof.
- Final assessment: - Assurance Final Evaluation of evidence.

10. PERFORMANCE AGREEMENTS

The SDBIP is the basis from which the performance agreements for employees are drawn. As every activity is attached to an official who is responsible for it, one can see that institutional performance is inseparable from individual performance. For the municipality to succeed in its objectives, it depends on the performance of every employee. The process of performance planning moves in the same way as verbal instructions are communicated, i.e. from one level to the next.

As every manager is responsible for his / her team, so too are they responsible for the creation of the team's performance agreements. The following is components of a performance agreements:

- Skills Audit (PDP)
- Job Description
- Scorecard

Serving employees must conclude their Performance agreements between 01 – 31 July of each financial year. Newly appointed employees must conclude their Performance Agreement within 60 days of their appointment date.

Employees' performance agreements may be amended at any time if there are changes to their responsibilities after a Performance Agreement has been concluded.

10.1 General Indicators

The Minister specifies a set of indicators that must be measured by every District and Local Municipality. The indicators are focused upon ensuring that essential matters are provided for and are contained in the Municipal Planning and Performance Management Regulations.

Such indicators are added to the performance plan of the Municipal Manager as the head of the organisation. The Municipal Manager then chooses which of his Senior managers will assist in the achievement of the indicators and delegates accordingly.

10.5 Means of Verification / Proof

The only means of effectively proving that a target has been met is through documentary proof. Using documentary proof also ensures that the review is fairly conducted and can be cross checked by another individual if need be. It is important to give thought to the type of proof that will be used to show achievement of a target.

Evidence Files must be maintained throughout the year. A manager will not be permitted to award a rating if no proof is provided and the indicator will be treated as not met. Documentary proof must be kept for at least 2 years following the review for the purposes of auditing.

10.6 Amending Performance Plans

10.6.1 Changes to the performance plan may take if there are:

(a) Changes to budgeted indicators that are included in the SDBIP/ IDP

In this case any changes would incur a high impact, as they may affect what was originally planned and publicly agreed in the IDP process. As the IDP and Budget was originally approved by Council, such indicators are only permitted to be changed upon approval by Council. Additional indicators and / or targets are permitted with simply the managers approval (or in the Municipal Managers case, the Mayor's approval). As the IDP is affected with changes to the SDBIP, so will the SDBIP and applicable performance plans be affected with any changes to the IDP document during the year. Such changes must be made unilaterally.

(b) Changes to indicators that are not included in the SDBIP

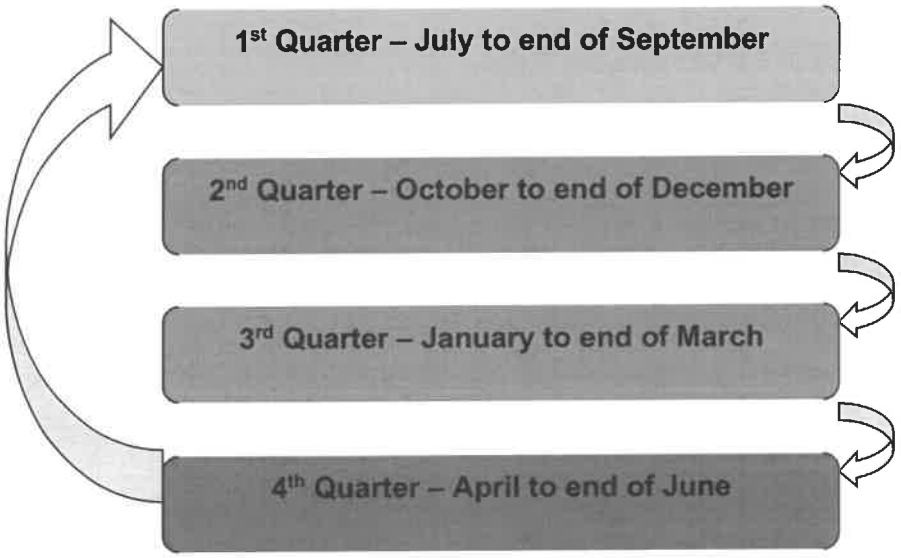
These indicators, although not included in the IDP, are vitally important as they support the indicators in the IDP. However, it is at the discretion of the manager as to whether changes can be made. Any changes must be recorded and authorized by the relevant senior official whether they are deletions, amendments or additions.

The manager and employee must together decide how great the impact any change to an indicator is and whether replacement resources would need to be put in place (for example if the required change was due to an employee being on a long-term absence from work).

The review also provides an opportunity for the employee and manager to record additional aspects of the period in question, such as work the employee was involved in outside of what was originally planned and the extent of the work- load on the employee i.e. how busy or under pressure he / she was during the period. Agreed review appointments must be honoured and not postponed apart from in exceptional circumstances.

12.3 Schedule for Performance Reviews

Figure 3: Performance Reviews Schedule



12. PERFORMANCE EVALUATION

The annual report fulfils a legal requirement to report on the financial, and performance status of the municipality. This formal report effectively allows the Council and the Community to review the Municipality. The report must be tabled at Council by 25 January of each year.

All performance appraisal processes for *Section 54A and 56 Managers* shall be concluded between 25 January and 31 March of each year after the tabling of the Annual *Report (Regulation 8 of No.805).* All performance appraisal processes for *non-section 54A and 56 employees* shall be concluded between 30 June and 31 December of each year *(Regulation 39 of No.890).*

13.2.1 Moderation Committees

The municipal manager shall establish Departmental Moderation Committees, which shall be convened annually for moderation of staff members except for Municipal Manager and Directors. Performance moderation processes shall take place within a reasonable timeframe after the end of the performance cycle, but not later than six months after the end of the financial year. The municipal council shall establish a Municipal Moderation Committee, which shall be convened annually.

13.2.2 Composition of the Moderation Committees

Table 6: Moderation Committees

Moderation Committee Member	DMC	MMC
Municipal Manager (Chairperson)		X
Senior Managers (Chairperson)	X	X
Line Managers	X	
Head of municipal planning and organisational performance		X
Head of the municipal internal audit		X
Performance specialist, where applicable		X

(a) all managers directly accountable to the heads of departments, shall be recused from the committee before their assessments are considered by the committee; and

(b) a senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services.

13.2.3 Responsibilities of the Departmental Moderation Committee

(a) To conduct moderation of annual staff member performance results to ensure that the norms and standards for performance management and development systems are applied in a fair, realistic and consistent manner across the department;

(b) To assess and compare the performance and contribution of each staff member with his or her peers towards the achievement of departmental goals;

13.2.4 Responsibilities of the Municipal Moderation Committee

(a) To provide oversight over the staff member performance management and development system to ensure the performance management process is valid, fair and objective;

(b) To moderate the overall performance assessment score for staff members determined after the departmental moderation processes;

(c) To ensure that the final individual performance ratings are fair across each grade and department or directorate;

(d) To ensure that the final individual assessment outcome corresponds with the performance of the municipality and the relevant department aligned to the staff member's job description or directorate before any recognition of performance is considered;

(e) To determine the percentages for the merit-based rewards subject to affordability and the annual approved municipal budget in terms of section 16 of the Municipal Finance Management Act;

(f) To recommend appropriate recognitions for different levels of performance;

(g) To recommend appropriate remedial actions for performance believed to be substandard;

(h) To advise the municipality on recognition of performance, including financial and non-financial rewards, where applicable;

(i) To identify potential challenges in the performance management system and recommend appropriate solutions to the municipal manager;

(j) To identify developmental needs for supervisors to improve the integrity of the performance management and development system; and

(k) To consider any other matter that may be considered relevant.

14. PERFORMANCE APPRAISAL

The Mayor and the Municipal Manager will assign a rating to each KPA during mid-term performance review and year-end performance review on the pre-determined performance standard(s) in the performance plan. The Municipal Manager and a Senior Manager will assign a rating to each KPA during mid-term performance review and year-end performance review on the pre-determined performance standard(s) in the performance plan. The Line Manager/ Supervisor and a non-section 54A and 56 employees will assign a rating to each KPA during mid-term performance review and

The ratings are evaluated by the committees consisting of the persons listed in the tables above. The committees jointly sit to evaluate the scores following the initial 'one-on-one' review and is provided with all the means of verification or 'Proof' for these employees with sufficient time to read through all documentation.

15. PERFORMANCE REWARDS

Legislation recognises the need to reward employees for going over and above what was originally required. This enables recognition over and above the verbal recognition that a manager may provide and the self-recognition that an employee will feel for a 'job well done'. The method of reward is governed by legislation which distinguishes between Section 54 &56 and non-Section 54 & 56 employees.

15.1 Section 54A & 56 employees

In accordance with the Regulations on Appointment of and Conditions of Services for Senior Managers a financial bonus is awarded for Outstanding performance and Performance significantly above expectations as per the following scale.

The performance bonus is calculated based upon the individual's total remuneration package, and is paid only after the following: -

- The annual report for the financial year under review has been tabled and adopted by the municipal council,
- An evaluation of performance has taken place, and
- An approval of such evaluation has been given by the municipal council and Mayoral Committee.
- A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%
- A score of 150% and above is awarded a performance bonus ranging from 10% to 14%. This can be translated as follows: -
- The Evaluation committee makes a recommendation to Council.
- Council provide resolution for % bonuses.

15.2 Non-Section 54 & 56 Employees

In line with Section 38 of the Municipal Systems Act supported by the Municipal Staff Regulations (2021), due to its administrative and financial capacity, the municipality will cascade performance management to all staff members in phased approach. The approach will be as follows:

Occupational Level	Financial Year
Mid-management	2025/26
Junior Management, Officers, Supervisors etc..	2026/27
General Workers, Cleaners, Clerical Staff etc…	2027/28

15.2.1 A performance related reward, it is at the discretion of the municipality and may be awarded to a staff member—

(a) who has served the full assessment period of 12 months on 30 June of each financial year of a municipality;

(b) transferred or seconded horizontally during the performance cycle within the municipality;

(c) who is on uninterrupted approved leave for 3 months or longer;

(d) who is on approved maternity leave for more than 3 months; and

(e) who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results.

15.2.3 A performance related award may not be awarded to a staff member—

(a) appointed after 1 July of that performance cycle;

(b) who is serving probation as stipulated in Human Resources framework;

(c) whose performance period is less than 12 months;

(d) whose employment is for a fixed term duration of less than 12 months; or

(e) whose post was upgraded without a change in performance agreement.

15.2.4 Performance rewards will be distributed to employees who qualify at the within six months after the end of the financial year once the moderation processes have been concluded provided there are no disputes.

- Corrective action and improvement strategies

18. DISPUTE MANAGEMENT

18.1 Dispute arising from a Municipal Manager or a Senior Manager who is not satisfied with the outcome of the procedure may lodge using dispute resolution mechanisms outlined in *Regulations 33* of the Regulations on Appointment and Conditions of Service for Senior Managers.

18.2 Dispute arising from a staff member who is not satisfied with the outcome of their performance appraisal after the Municipal Moderation Committee moderation may lodge a grievance using *SALGBC* processes.

19. MANAGING SUBSTANDARD PERFORMANCE

When completing the review or at any time during the year, it may become apparent that an employee is not meeting targets. It is important to analyse the reasons for this so that the problem can be addressed. Incapacity due to poor performance will be dealt with in terms of *Schedule 8 of the Labour Relations Act*. The process flow below outlines how substandard performance will be managed.

20. EMPLOYEES WHO LEAVE OR JOIN DURING THE FINANCIAL YEAR

Upon the commencement of a new employee's service with the Municipality, a performance plan should be used to discuss the employees' new role. The performance plan will run only until the commencement of the new financial year, at which point a new plan can be created along with all other employees.

Upon leaving the service of the Municipality (during anytime of the year) a final in-year review must be conducted to establish the final status of indicators applicable to the post. The information is also used to design the performance plan of any new employee who may take over in the position.

21. EMPLOYEES APPOINTED IN 'ACTING' POSITIONS

Any employee appointed to 'act' in a position other to their own for longer than 10 consecutive days must at the same time be advised of the tasks or indicators they will be requested to support and or achieve. During the time of the 'Acting' appointment,

23.4 This framework will be reviewed annually after the date of approval by Council or at any time when there are operational and or regulatory changes.

24. FRAMEWORK APPROVAL

Municipal Manager: Signature: _____ Date: 29 | 07 | 2026

Mayor: Signature: _____ Date: 29 | 07 | 2026

Council Resolution No.: 02 | 06 | 2026