

## 5.6 Performance Management System

### 5.6.1 LEGISLATIVE AND REGULATORY FRAMEWORK

The **Municipal Systems Act (32 of 2000)** and the **Municipal Planning and Performance Regulations**, (*DPLG Regulations of 1 August 2006*) are the core pieces of legislation that reinforces the institutionalisation of a performance management culture in the municipality

The Five Year IDP Objectives also referred to as the Municipal Performance Scorecard of the Lesedi Local Municipality contains all the strategic objectives of the municipality. The Five-year plan is broken down in a Municipal **Service Delivery Budget Implementation Plan (SDBIP)** for implementation over one financial year. The Municipal SDBIP is then cascaded down to lower levels that are referred to as the Departmental SDBIP.

### 5.6.2 AUDIT FINDINGS LEADING TO THE REVIEWAL OF PMS

A new automated Performance Management System will be implemented during the 2014/2015 financial year to avoid previous Auditor General findings pertaining to the linkage of the Integrated Development Plan (*IDP*) and the pre-determined targets and objectives of the Municipal Service Delivery Budget Implementation Plan (*SDBIP*) as well as the development of objectives to adhere to the SMART principle.

### 5.6.2 ELEMENTS THAT ARE CONTAINED IN THE NEW PMS SYSTEM

The approved Performance Management System of Lesedi makes provision for the integration of both the requirements of Chapter 6 of the Municipal Systems Act where both the political performance (*i.e. Councillors*) strategic performance (*i.e. Section 54 & 56 managers*) as well as the operational performance (*i.e. Bargaining Council employees*).

Both Hard Issues (*Actual Responsibilities*) and Soft Issues (*Leadership & general behaviour*) will be measured with the new automated performance management system.

### 5.6.3 NATIONAL INDICATORS

Measurement of the following **National Indicators** will be incorporated in the Municipal SDBIP to ensure management :-

Government Gazette No. 225605 of 24 August 2001 prescribes seven general performance management indicators, as follows:-

1. The percentage (%) of households with access to basic level of water, sanitation, electricity and solid waste removal. *[For performance reporting by the Executive Manager : Service Delivery ]*
2. The percentage (%) of households earning less than R1 100,00 per month with access to free basic services. *[For performance reporting by the Chief Financial Officer ]*
3. The percentage (%) of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IDP). *[For performance reporting by the Chief Financial Officer ]*
4. The number of job created through municipality's local economic development initiatives including capital projects. *[For performance reporting by both the Executive Manager; Development & Planning and the Executive Manager : Service Delivery ]*
5. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. *[For performance reporting by the Executive Manager : Corporate Services ]*
6. The percentage (%) of a municipality's budget actually spent on implementing its workplace skills plan. *[For performance reporting by the Executive Manager : Corporate Services ]*
7. Financial viability as expressed by the ratios in the gazette (22605 – 24 August 2001). *[For performance reporting by the Chief Financial Officer ]*

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