



UGU SOUTH COAST TOURISM (PTY) LTD

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Definitions

Activities	Actions or processes that use a range of inputs to produce the desired outputs. In essence, activities describe “what we do.”
Accounting Officer	In relation to the Municipality means the municipal official referred to in Section 60 and includes a person duly appointed as acting accounting officer.
Annual Report	In relation to the Municipality means an annual report contemplated in section 121 of the Municipal Finance Management Act.
Approved budget	An annual budget: (a) Approved by a Municipal Council; or (b) Approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28.
Backlogs	Quality of service/goods that have accumulated over time that are still undelivered/unattended/still not produced. The backlogs in rural water, sanitation and electricity have been defined in official census figures, but vary (increase or decrease) from year to year due to migration patterns and service delivery interventions.
Baseline	The accurate and quantitative data at a stated point in time that marks the beginning of a trend. Referred to as “current status quo”.
Baseline Measure	A measurement of the indicator at the start of the period under evaluation.
Current year	The financial year which has already commenced, but not yet ended.
Section 57/56 Employee	A person employed by a Municipality as a Municipal Manager or as a Manager directly accountable to a Municipal Manager and for which there is a Performance Agreement.
Evaluation	Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision-making by staff/managers and policy-makers. Evaluation may assess relevance, effectiveness, efficiency, impact and sustainability of the institution and officials.
Financial year	The financial year of municipalities that end on 30 June of each year.
Indicators	Indicators are a piece of objective evidence that tell us whether progress is or is not being made in achieving goals.

Input indicator	An indicator that measures the costs, costs resources and time used to produce an output.
Inputs	The resources, physical, financial or otherwise that contribute to the delivery of outputs. In other words, “what we use to do the work.”
Key Performance Area (KPA)	National Key Performance Areas is a clustering of areas of functions: infrastructure and services, social and economic development, institutional development, public participation, financial viability and spatial planning.
Key Performance Indicators (KPI)	Key Performance Indicators will be determined in respect of each development priority and objective. These indicators are subject to public participation and will be used by each Department as well as each municipal entity where applicable. These are quantifiable measures which show where performance currently is in relation to the baseline and the target. This describes the measure in a clear, simple and precise manner.
Local Community or Community	In relation to a Municipality, means that body or persons comprising – a) The residents of the Municipality b) The ratepayers of the Municipality c) Any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality.
MEC for Local Government	Means the MEC responsible for Local Government in a Province.
Minister	Means the National Minister responsible for Local Government.
Monitoring	Monitoring involves collecting, analysing and reporting on inputs, activities, outputs and outcomes in a way that supports effective management on an ongoing basis. Monitoring, aims to provide managers, decision-makers and other stakeholders with regular feedback on progress in implementation, results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected.
Municipality	When referred to as: An entity, means a Municipality as described in section 2; and a) A geographical area: means a municipal area determined in terms of the Local Government: Municipal Demarcation Act. 1998 (Act No. 27 of 1998).
Municipal Council or Council	Means municipal Council referred to in section 157 (1) of the Constitution.

Municipal Entity	As contemplated in the Municipal Systems Act, Ch 8A and MFMA, Ch 10: with autonomy to conduct it's affairs according to "business practices" subject to formal agreements between the Board Chairperson and Mayor
Municipal Finance Management Act	Means the Local Government: Municipal Finance Management Act. 2003, any regulations made under that Act
Municipal Structures Act	Means the Local Government: Municipal Structures Act. 1998 (Act 117 of 1998)
Municipal Systems Act	Means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
Outcomes	The ultimate effects (impacts) of government activities on society in the medium to long term. These are the results of specific outputs for strategic goals identified in the IDP or Entity's Strategic Plan.
Outcome indicator	Means an indicator that measures the quality and or impact of an output on achieving a particular objective.
Output indicator	Means an indicator that measures the results of activities, processes and strategies of a program of a Municipality or Entity.
Outputs	Goods and services produced by the Municipality or Entity which are identified by the performance measures. Outputs may be defined as "what we produce or deliver." These are tangible/can be seen.
Performance Audit Committee	An independent committee appointed to assess the annual performance of the Municipality or Entity and report findings.
Performance Agreement	Means an agreement as contemplated in Section 57 of the Municipal Systems Act or an agreement between the Entity's Board Chairperson and CEO .
Performance Plan	Means a part of the individuals' Performance Agreements which detail with the Measurable objectives (Outputs), Performance Measures (KPI's), targets and activities that are aligned to the Organisational Scorecard.
Political Office bearer	Means the Speaker, Executive Mayor, Mayor, Deputy Mayor or Member of the Executive Committee as referred to in the Municipal Structures Act.
Quarters	Means any of the following periods in a financial year: (1) 1 July to 30 September; (2) 1 October to 31 December; (3) 1 January to 31 March; or (4) 1 April to 30 June.
Resident	In relation to a Municipality, means a person who is ordinarily resident in the Municipality.

Scorecard	<p>Is a planning and evaluation device that specifies the criteria that stakeholders will use to rate the entity's performance:</p> <p>Ugu SCT 2013/2014 Organisational Scorecard</p>
Service Delivery and Budget Implementation Plan	<p>Means a detailed plan approved by the Mayor of a Municipality in terms of Section 53(1) (c) of the Municipal Finance Management Act for implementing the Municipality's delivery of municipal services according to its annual budget.</p> <p>In the case of the Ugu SCT entity, detailed annual Performance Plans of its CEO and General Managers approved by its Board serve this purpose.</p>
Target	<p>Target/Aim which is to be achieved for that indicator over the specified timeframe.</p>

Abbreviations

DoRA	Division of Revenue Act, No. 2 of 2008
IDP	Integrated Development Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
M&E	Monitoring & Evaluation
MDG	Millennium Development Goals
MFMA	Municipal Finance Management Act, No. 56 of 2003
MSA	Municipal Systems Act, No. 23 of 2000
PMS	Performance Management System
IPMS	Individual Performance Management System
OPMS	Organisational Performance Management System
SDBIP	Service Delivery & Budget Implementation Plan

Review of the Policy Framework

Ugu SCT is reviewing its OPMS Policy to remain aligned to the parallel Ugu District Municipality's overarching systems while allowing it the autonomy to conduct its affairs in a more private sector orientated manner, according to the "business practices" contemplated in the MSA – at Chapter 8A.

The entity is reviewing its OPMS Policy to highlight the centrality of its own 2013 – 2017 Strategic Plan in the development of its OPMS Tools. It remains aligned to the strategic LED objectives of Ugu DM's IDP but contributes greater detail in terms of performance planning, monitoring and reporting with respect to Tourism. The entity does not seek to replace the IDP but to add to it, tailoring its OPMS to suit its own unique sub-objectives

SECTION I: UGU SOUTH COAST TOURISM OPMS POLICY FRAMEWORK

1.1 INTRODUCTION AND OVERVIEW

Performance information indicates how well a municipality or a municipal entity is meeting its aims and objectives, and which policies and processes are working. Making the best use of available data and knowledge is crucial for improving the execution of its mandate. Performance information is key to effective management: including planning, budgeting, implementing, monitoring and reporting. Performance information also facilitates effective accountability, enabling the Board Directors, members of the public, and other interested parties to track progress, identify the scope for improvement and better understand the issues involved.

The municipal entity delivers supports critical to the development of local economic development generally and tourism specifically on the KZN south coast. In order to ensure that such support is as efficient and economical as possible, the entity is required to formulate strategic plans, allocate resources to the implementation of those plans, and monitor and report the results. Performance information is essential to focus the attention of the public and oversight bodies on whether the entity is delivering value for money, by comparing its performance against its budgets and service delivery plans, and to alert managers where corrective action is required. Performance information also plays a growing role in budget allocations and will increasingly be used to monitor service delivery. This means the information must be accurate, appropriate and timely.

The most valuable reason for measuring performance is that *what gets measured gets done*. If the entity knows that its performance is being monitored, it is more likely to perform the required tasks and to perform them well. In addition, the availability of performance information allows managers to pursue results-based management approaches, such as performance contracts, risk management, benchmarking and market testing.

With this mid-May 2015 OPMS Policy Review, Ugu SCT highlights sections of the legislation pertaining to municipal entities specifically and thereby provides the basis for its own unique form of OPMS hereunder.

1.2 PURPOSE OF THE POLICY FRAMEWORK

The Local Government: Municipal Systems Act 2000 and the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers of 2006, provides for the establishment and implementation of a performance management system for municipalities and municipal entities in South Africa. In order to comply with legislation and to improve upon good governance and service delivery, it is essential for the entity to adopt a policy on performance management.

This organisational performance management policy framework will provide guidance in terms of the entity's cycle and processes of performance planning, implementation, monitoring, evaluation, auditing and quality control.

This policy framework, as informed by The Local Government Municipal Systems Act (2000) and The Municipal Performance Regulations (2006), aims to put in place a results-based performance measurement tool to review performance, and track progress in achieving desired outcomes and ensure:

- Greater accountability in the use of resources;
- Ongoing focus and review on the achievement of results;
- An effective tool for decision making;
- Timely interventions and corrective actions;
- Strengthen governance;
- Promote institutional learning and knowledge sharing; and
- Provide an effective and timely reporting process.

This policy framework will therefore ensure the entity's unique application of performance management processes as outlined hereunder, in order to ensure that accountabilities, responsibilities, data, and process control points are clear at any stage.

1.3 LEGISLATIVE FRAMEWORK

The development and implementation of a performance management system at local government level is guided by various legislative provisions, prescripts and guidelines including:

1.3.1 The Constitution of the Republic of South Africa, Act 108 of 1996:

Section 152(1) of the Constitution prescribes that the objects of local government are:

- (a) To provide democratic and accountable government for local communities;
- (b) To ensure the provision of services to communities in a sustainable manner;
- (c) To promote social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organizations in the matters of local government.

1.3.2 The Local Government Municipal Systems Act 32 of 2000 (MSA):

Chapter 6 of the MSA deals specifically with performance management in local government. Section 38 of the Act prescribes that a municipality must:

- (a) Establish a performance management system;
- (b) Promote a culture of performance management among political structures, office bearers and councillors and in its administration; and
- (c) Administer its affairs in an economical, effective, efficient and accountable manner.

Further legislative requirements within the MSA include:

- Section 39 stipulates that the Executive Committee (EXCO) is responsible for the development of a PMS, for which purpose they may assign responsibilities to the Municipal Manager. The EXCO must submit the proposed PMS to Council for approval. **Chapter 8A provides for an entity's Board to assume this responsibility and to delegate OMS functions to the entity's CEO. Chapter 8A further allows for the entity to conduct itself according to "business practices" if these will better serve the overarching strategic objectives in the municipality's IDP.**
- Section 40 stipulates that a municipality must establish mechanisms to monitor and review its PMS.

- Section 41 prescribes that the core components of the PMS must:
 - (i) Set appropriate key performance indicators (KPI's);
 - (ii) Set measurable performance targets;
 - (iii) Monitor performance;
 - (iv) Measure and review performance annually;
 - (v) Take steps to improve performance where performance targets are not met; and
 - (vi) Establish a process of regular reporting.
- Section 41(2) states that the PMS of a municipality must serve as an early warning indicator of under-performance.
- Section 42 requires that the community, in terms of the provisions of chapter 4 of the Act, should be involved in the development, implementation and review of the PMS. The community should also be involved with the setting of Key Performance Indicators (KPI's) and performance targets for the municipality.
- In terms of section 43, the general KPI's to be applied by all municipalities may be prescribed by regulation. **The entity will not be subject to all these general KPIs but will comply with the stipulations around LED and financial viability.**
- Section 44 prescribes that the KPI's and performance targets in the PMS of a municipality must be made known both internally and externally in a manner described by Council.
- In terms of section 45, the results of the performance measurement must be audited as part of the internal auditing processes and annually by the Auditor General.
- Section 46 requires that the municipality prepare an annual performance report which must form part of the municipality's annual report in terms of the requirements of chapter 12 of the Municipal Finance Management Act (MFMA) of 2003. **The entity's annual performance reporting shall differ in respect of channels of communication and the content of this shall be bound by agreement between the Board Chairperson and Mayor.**

1.3.3 Local Government: Municipal Planning and Performance Management Regulations, 2001:

These regulations state that a municipality's PMS 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, organized and managed, including determining the roles of the different role-players.

Chapter 3 outlines the regulations in terms of the:

- (i) The adoption of the performance management system;
- (ii) Setting of key performance indicators;
- (iii) General key performance indicators;
- (iv) Review of key performance indicators;
- (v) Setting of performance targets;
- (vi) Monitoring, measurement and review of performance; and
- (vii) Internal auditing of performance measurement.

Chapter 4 regulates the requirements for community participation in respect of performance management.

The following are compulsory key performance indicators emanating from Section 43 of the Local Government Municipal Systems Act and Regulation 5 (1) and **the entity shall comply insofar as it can, according to its specific focus on LED and Tourism:**

No.	Compulsory Key Performance Indicators
1	Percentage of households with access to all basic household services
2	Percentage of households with imputed expenditure of less than R1 100 per month that have access to free basic services.
3	Percentage of capital budget spent on projects identified in terms of the IDP.
4	Number of jobs created through local economic development initiatives supported by the municipality.
5	Percentage achievement of approved employment equity plan within the first three layers of management.
6	Percentage of skills levy received in rebate as a measure of the municipality's investment in human resource development.
7	Financial Viability.

1.3.4 The Municipal Finance Management Act 56 of 2003

The following provisions from the Municipal Finance Management Act (MFMA) relate largely to the PMS of the municipality, and **the entity is bound to the same deadlines:**

- (i) Section 53(1)(c)(ii) of the Act requires that the municipality’s Service Delivery and Budget Implementation Plan (SDBIP) is approved by the Mayor within 28 days after the approval of the budget – **the entity’s OPMS Tools likewise by the Board Chairperson;**
- (ii) Section 53(1)(c)(iii) requires the Mayor to ensure that the performance agreements of Section 57 employees comply with the requirements of the MSA in that they promote sound financial management and that they are linked to measurable performance objectives approved with the budget and included in the SDBIP - **the entity’s performance agreements likewise;**
- (iii) Section 72 of the Act requires the accounting officer of the municipality to submit a mid-year budget and performance assessment by the 25 January each year – **the entity shall comply similarly, through its CEO submitting this through its Board Chairperson, as contemplated in Chapter 10 “Municipal Entities” and Section 88 by the 20 January each year.** The assessment must include:
 - (a) The monthly budget statements, of the first 6 months of the financial year, as required in terms of Section 87 of the MFMA.
 - (b) Progress on resolving problems identified in the past year’s annual report;
- (iv) Section 127(2) of the Act requires the Mayor to, within seven months after the end of the financial year, table in the municipal Council the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control – **the entity’s Board Chairperson will submit this to the Mayor;**
- (v) Section 129 (1) requires the Council of a municipality to consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the Council in terms of section 127 and adopt an oversight report containing the council’s comments on the annual report, **including the entity’s submission.**

1.3.5 Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006:

These regulations prescribe how the performance of municipal managers and managers that are directly accountable to municipal managers must be directed, monitored and improved. The regulations include the following:

- (i) Chapter 2: requirements and provisions of employment contracts;
- (ii) Chapter 3: performance agreements, including prescribed key performance areas (KPA's) and core competency requirements (CCR's)

The entity shall comply with these provisions.

1.3.6 Implications of entity specific clauses for Ugu SCT's OPMS

The entity's very establishment is predicated in the legislation upon its being required to perform tourism related functions: "in accordance with **business practices** in order to achieve the strategic objectives of the municipality more effectively" – Municipal Systems Act, Clause 86E (b) (i).

Provision is therefore made for the entity to develop its OPMS according to streamlined "business practices" and in the case of Ugu SCT its OPMS tools can be designed to serve its own particular Strategic Plan (that is aligned to the municipal IDP). The entity is clearly at liberty to develop its own templates for planning, monitoring and reporting on its performance. **For the purposes of OPMS the entity's Organisational Scorecard at Annexure B refers.**

Ugu SCT remains obliged to meet all statutory deadlines and report to the municipality regularly on financial management as well as against performance targets set for it as per Chapter 10 of the MFMA. Communication channels flow from the entity's CEO to the entity's Board Chairperson and through to Ugu DM's Mayor.

1.4 APPLICABILITY OF THE FRAMEWORK

The policy framework is applicable to the entity at an organisational level.

1.5 POLICY STATEMENTS

Policy Statement 1: Ugu SCT views Performance Management (PM) as a business process.

Performance management is an integral part of the entity's business process, and hinges on strong teamwork amongst management and employees in order to achieve the organisations goals.

Policy Statement 2: PM is viewed by Ugu SCT as an approach and a system to manage people and performance.

The focus of performance management in the entity is on connecting people to one another, and to the organisation as a whole, and its values. Managers and supervisors are required to support people to work together to achieve shared aims.

Policy Statement 3: In UguSCT, managers and employees will use the management of performance for the health, and long-term growth of the entity according to the strategies and objectives set, and agreed to, by the Board.

Policy Statement 4: Competencies and standards drive the process of achieving performance, results and development.

Managers and employees are required to identify and define the competencies and standards to steer the work unit, teams, and individuals to produce superior performance, and foster a learning climate conducive to continuous development.

Policy Statement 5: In Ugu SCT judgment will be the most important factor in determining competence and performance ratings; mathematical calculations cannot be a substitute for the use of good judgement and common sense when it comes to performance assessments.

Managers and employees are directed to rely on a combination of subjective and objective interpretation of performance information to reach a rounded conclusion about performance and competence. The Portfolio of Evidence's are key in this process.

Policy Statement 6: In Ugu SCT clear, consistent, and visible involvement by the Board and managers is mandatory for successful performance measurement and management.

Senior leadership is directed to personally articulate/spread the word about the mission, vision, and goals to various levels within the entity, and are also involved in the dissemination of both performance expectations and results throughout the organisation.

Policy Statement 7: Effective and open communication by all levels of management and employees is mandatory.

Internal communication is an inherent requirement for all employees and managers to ensure accomplishment of organisational goals.

Policy Statement 8: Accountability for results must be clearly assigned and well understood by everyone.

Management and employees are required to proactively identify what it takes to determine success and make sure that all managers and employees understand what they are accountable for. Accountability is a key success factor.

Policy Statement 9: Measures must be linked to performance planning and assessment for both teams and individuals.

Managers and employees are required to identify the correct measures by which performance and competence will be assessed. The municipality will have valid and reliable data for the selected measures.

Policy Statement 10: Targets should be linked to appraisal and assessment discussions

Targets that are linked to appraisal and assessment discussions and are designed to make managers, teams, and employees at all levels accountable for their contributions to the achievement of the overall strategy.

Policy Statement 11: Results, and progress toward achieving outputs and results, will be openly communicated with employees, customers, and stakeholders by the Board and Managers.

While sensitive information generally must be protected, performance measurement information will be openly and widely shared with managers and employees to the greatest extent practicable. Information about performance objectives and specific progress toward these objectives can be provided in newsletters, employee bulletin boards, and public notice boards.

Policy Statement 12: Performance measurement results will be used to effect continuous performance change and improvement.

It is mandatory to use assessment results to build towards continuous performance improvement, and to set stretch goals for managers and employees.

Policy Statement 13: Managers are to be sufficiently well briefed and trained to take responsibility to implement a formal performance management system.

Everyone involved in the management of the process needs to know:

- The purpose of performance management
- How all role players (the Board, managers, employees and the community) will benefit from the process
- The performance management policies that guide the management of the process
- How each phase of the process works and the role they play in each phase (planning, managing, evaluating, compensating).

1.6 ROLES AND RESPONSIBILITIES

It is also important to clarify the roles and responsibilities of employees and stakeholders. These roles and responsibilities are indicated below:

ROLES AND RESPONSIBILITIES	
Responsibility	Role
Citizens & Communities	<ul style="list-style-type: none"> • Be consulted on needs. • Develop the long term vision for the area. • Assist in identifying priorities. • Participate in the identification of indicators and setting targets. • Be given the opportunity to review the entity's performance and suggest new indicators and targets.
Board Chairperson	<ul style="list-style-type: none"> • Approves the entity's Organisational Scorecard in engagements with the Mayor and conducts periodic performance appraisals of the entity's CEO with assistance of an external panel for annual evaluation
CEO and General Managers	<ul style="list-style-type: none"> • Develop the entity's draft Organisational Scorecard for the Board's consideration • Measure performance according to agreed indicators, analyse and report regularly. • Manage implementation and intervene where necessary. • Inform decision makers of risks immediately
Internal Audit	<ul style="list-style-type: none"> • Assess the functionality, effectiveness and legal compliance with the PMS.
Evaluation Panels	<ul style="list-style-type: none"> • Evaluate the performance of the CEO with the Board Chairperson
Auditor General	<ul style="list-style-type: none"> • Ensure legal compliance
Performance Audit Committee	<ul style="list-style-type: none"> • Independent oversight on legal compliance

1.7 THE ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

1.7.1 Overview:

The entity's PMS is the primary mechanism to monitor, review and improve the implementation of its unique Strategic Plan, aligned as a sub-section of the municipal IDP and to gauge the progress made in achieving the objectives set out therein. In addition, the entity's PMS must also facilitate increased accountability, learning, improvement, provide early warning signals and facilitate decision-making. The PMS monitors actual performance against set targets and contractual obligations. Effective tourism support relies upon the entity's strategic plan in the municipal IDP, efficient utilization of all resources and the PMS being closely integrated across all functions at an organizational and individual level.

Once performance planning has been completed and the entity's scorecard is in place, it needs to be implemented by executing the work in accordance with the KPIs contained therein. As the work is executed, it needs to be continuously monitored and periodically measured and reported on. Reporting requires that the entity takes the priorities of the organisation, its strategic performance objectives, indicators, targets, measurements and analysis, and present this information in a simple and accessible format, relevant and useful to the specific target group, whilst meeting the legal prescripts for reporting.

1.7.2 The OPMS Cycle

The cycle can be illustrated as follows:



1.7.3 Implementation:

The actual implementation of the entity's Strategic Plan over a single financial year is given effect through the Organisational Scorecard and Performance Agreement of the CEO.

The organisational scorecard is essentially the management and implementation tool which sets in-year information, such as quarterly supports and monthly budget targets, and links each output to the budget of the entity, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used.

The key performance areas and indicators of performance contained in the organisational scorecard are cascaded down to General Managers' scorecards which ensure the appropriate alignment between organisational and individual performance.

Implementation involves 4 main tasks:

- (i) Developing the organisational strategic scorecard
- (ii) Preparing the CEO and General Managers performance plans
- (iii) Preparation of the Annual Performance Plans, Performance Agreements and Personal Development Plans for these entity officials and
- (iv) Compilation of Portfolios of Evidence (PoE's).

1.7.4 Monitoring:

Monitoring continuously tracks performance against what was planned by collecting and analysing data on the indicators established for monitoring and evaluation purposes. It provides continuous information on whether progress is being made towards achieving results (outputs, outcomes, and goals) through record keeping and regular reporting systems.

Monitoring involves 3 main tasks:

- (i) Measuring Performance
- (ii) Compilation of Monthly and Quarterly Performance Reports by the CEO and per individual General Managers
- (iii) Compilation of Consolidated Quarterly, Half-yearly and Annual Performance reports at an Organizational Level.

1.7.5 Evaluation:

Evaluation is a periodic, in-depth analysis of performance. It relies on data generated through monitoring activities as well as information obtained from other sources (e.g. studies, research, in-depth interviews, focus group discussions, surveys, etc.). Evaluations are often (but not always) conducted with the assistance of external evaluators.

Evaluations include preparations to define standards to be used to conduct an impact assessment on the achievement of the planned outcome, collecting information, analysing information, drawing conclusions, documenting lessons learned and formulating recommendations.

The following role players are involved, to some degree, in evaluations:

- The entity's Board
- Internal Audit
- Auditor General
- Performance Audit Committee/Audit Committee
- Department of Cooperative Governance and Traditional affairs
- Community

Evaluation will take place as follows:

- (i) Ongoing as part of the monitoring and reporting process and
- (ii) Occasional customer satisfaction surveys at the discretion of the Board.

1.7.6 Organisational Performance Rewards:

The entity is too small to offer formal organisational performance rewards. The CEO and General Managers will be entitled to performance bonuses according to legislated criteria. The CEO, upon recommendations to the Board and acceptance thereof in writing by the Chairperson, may at his discretion award staff teams that have gone beyond the call of duty – with ad hoc recognition. This might take the form of extra leave days.

1.8 COMMENCEMENT

This policy shall come into effect from 1 July 2015.

1.9 OPMS TEMPLATES

Ugu SCT shall craft its tools and templates itself – for OPMS, the Organisational Scorecard refers.

1.10 INTERPRETATION OF THIS POLICY

- 1.10.1 All words contained in this policy shall have an ordinary meaning attached thereto, unless the definition or context indicates otherwise
- 1.10.2 Any dispute on interpretation of this policy shall be declared in writing by any party concerned
- 1.10.3 The Chief Executive Officer shall give a final interpretation of this policy in the case of a written dispute
- 1.10.4 If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the entity's Board.

1.11 PERMANENT/TEMPORARY WAIVER OR SUSPENSION OF THIS POLICY

- 1.11.1 This policy may be partly or wholly waived or suspended by the Board of Directors on a temporary or permanent basis, after consultation with Management
- 1.11.2 The Chief Executive Officer may under circumstances of emergency temporarily waive or suspend this policy subject to reporting of such waiver or suspension to the Board.

1.12 AMENDMENT AND/OR ABOLITION OF THIS POLICY

1.12.1 This policy may be partly amended or repealed by the Board after consultation and interaction with Management.

1.13 COMPLIANCE AND ENFORCEMENT

1.13.1 Violation of or non-compliance with this policy will give a just cause for disciplinary steps to be taken

1.13.2 It will be the responsibility of all Managers and the Board of Directors to enforce compliance with this policy.

SECTION 2: SYSTEMS, PROCEDURES AND TEMPLATES

ANNEXURE A: ORGANISATIONAL SCORECARD

ANNEXURE B: PORTFOLIO OF EVIDENCE FILE INDEX

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