

**KAROO HOOGLAND MUNICIPALITY**

**Annual Performance Report**

**2018/19**

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# **ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM REPORT 2018/2019**

## 1. Introduction

A revised performance management framework was adopted by the Karoo Hoogland Municipality in 2017/18 financial year.

The Organisational Performance Management function of Karoo Hoogland Municipality is administered within the Office of the Municipal Manager under his direct supervision.

It must be noted that the system of monitoring performance had collapsed at the Municipality and was revived by the Municipal Manager at the commencement of the 2018/2019 financial year.

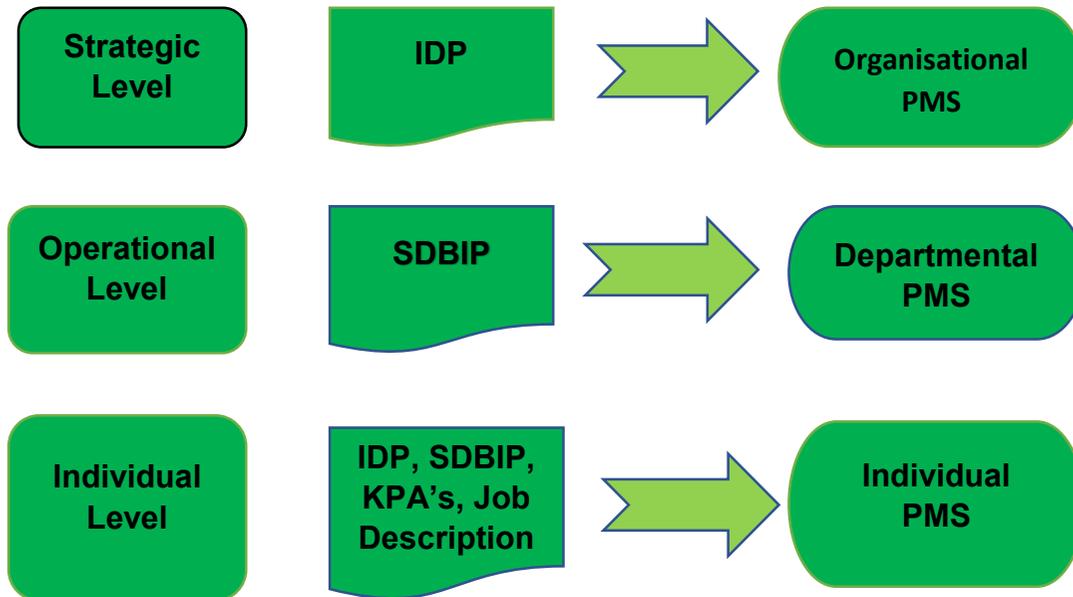
This system is electronic in nature and all portfolio of evidence is uploaded into the system when progress is being monitored.

## 2. 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."

### 3. Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.





Measurable targets have been set for each individual manager at the commencement of the Financial Year considering the developmental priorities of the council both Financial and Non-Financial and these are reflected in the organisational performance score card.

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. Those of the Municipal Manger has been signed by the Mayor. 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 (No 56 of 2003).

#### 4. Performance Audit Committee

Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 requires the establishment of a Performance Audit Committee. In the case of Karoo Hoogland Municipality, a committee is still to be appointed as we currently use the Audit Committee.

## 5. Annual Organisational Performance Information

The annual performance reporting on the 2018/19 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format. The Draft Organisational Performance report is herewith presented to the Auditor General for auditing together with the Annual Financial Statements on 30 August 2019.

This Annual Performance Report (Tables) once finalised and approved should be read in conjunction with the Karoo Hoogland Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information for 2018/2019.

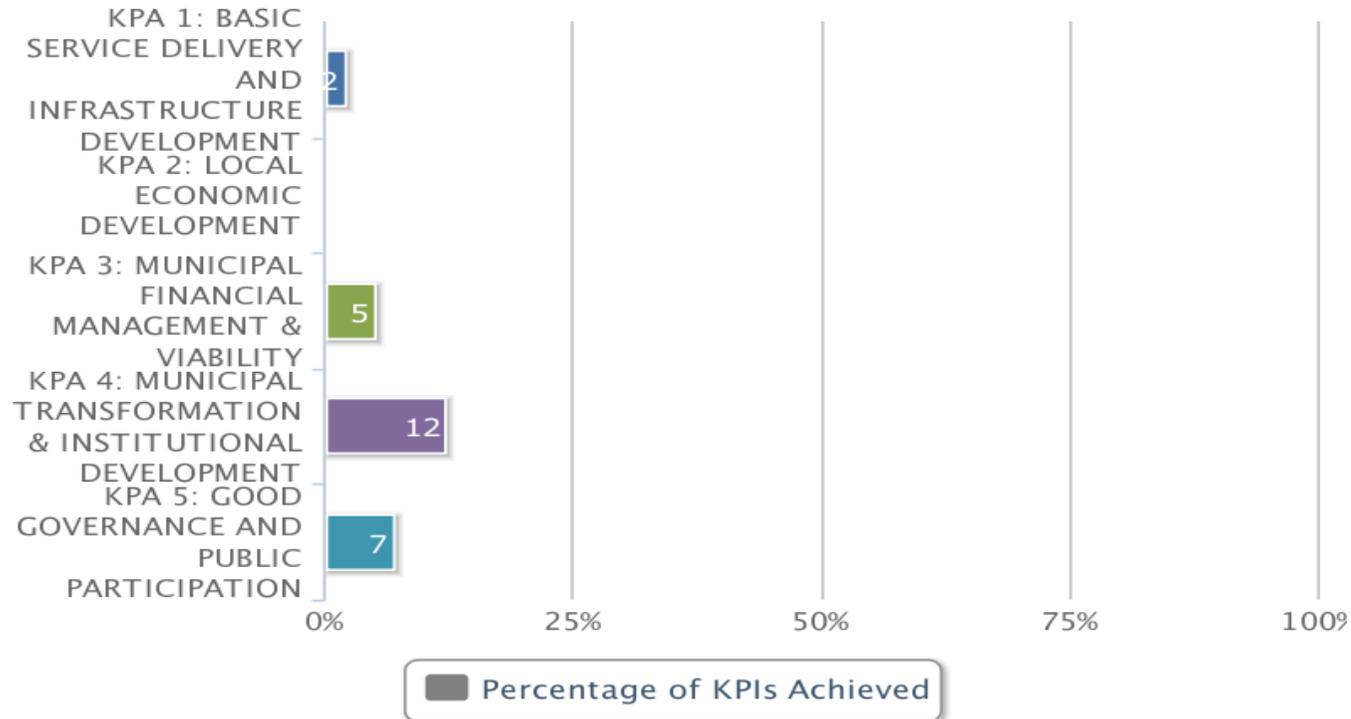
The Draft Annual Performance Report highlights the performance of the Municipality against the indicators identified in the Integrated Development Plan (IDP) for the 2018/2019 financial year. These priority issues constitute the Organisational Performance Scorecard for the 2018/2019 financial year.

## 6. Annual Organisational Performance Scorecard.

The following tables 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 2019/20 financial year in cases of under achievement:

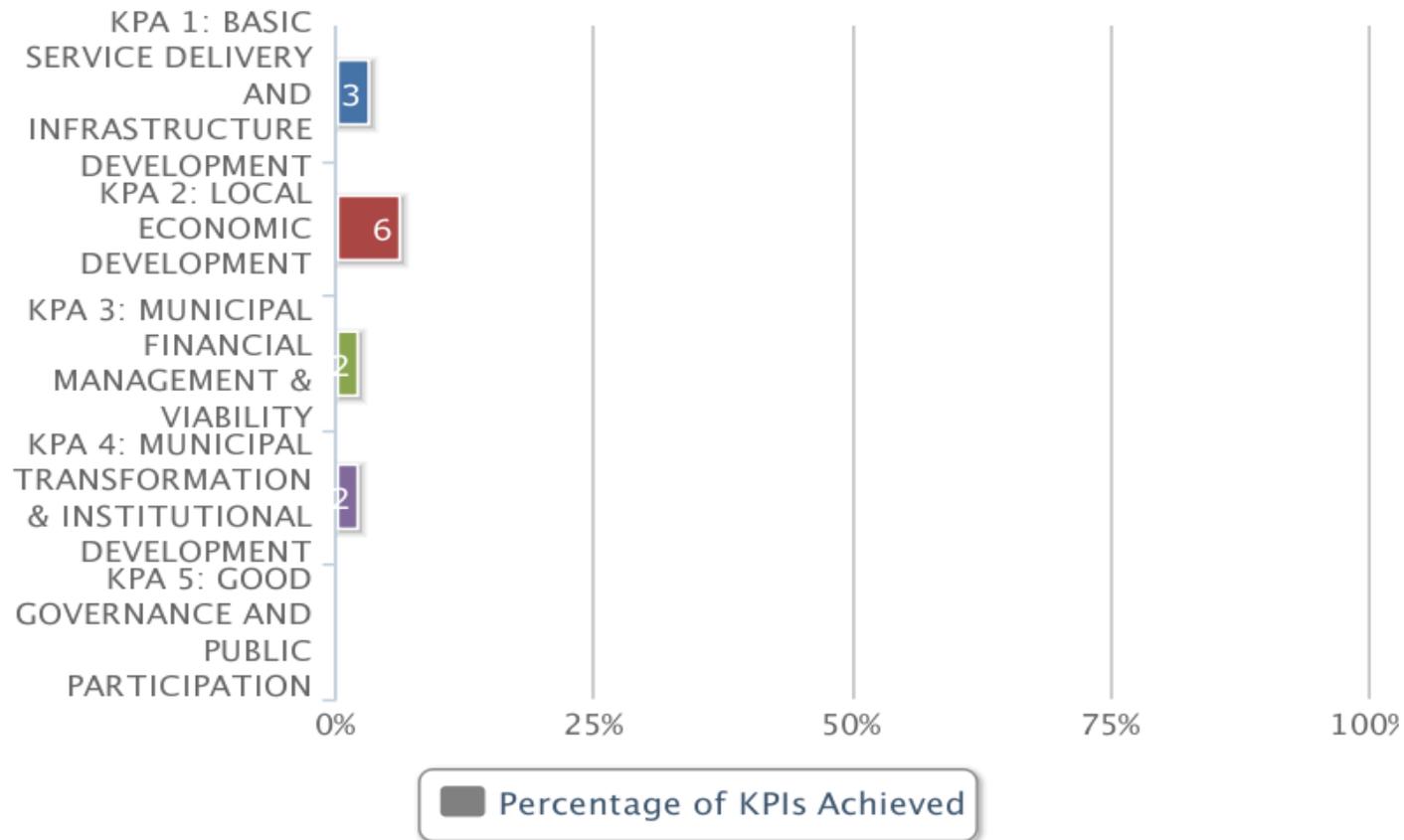
# Quarterly Report 1

## Organizational Scorecard per National KPA



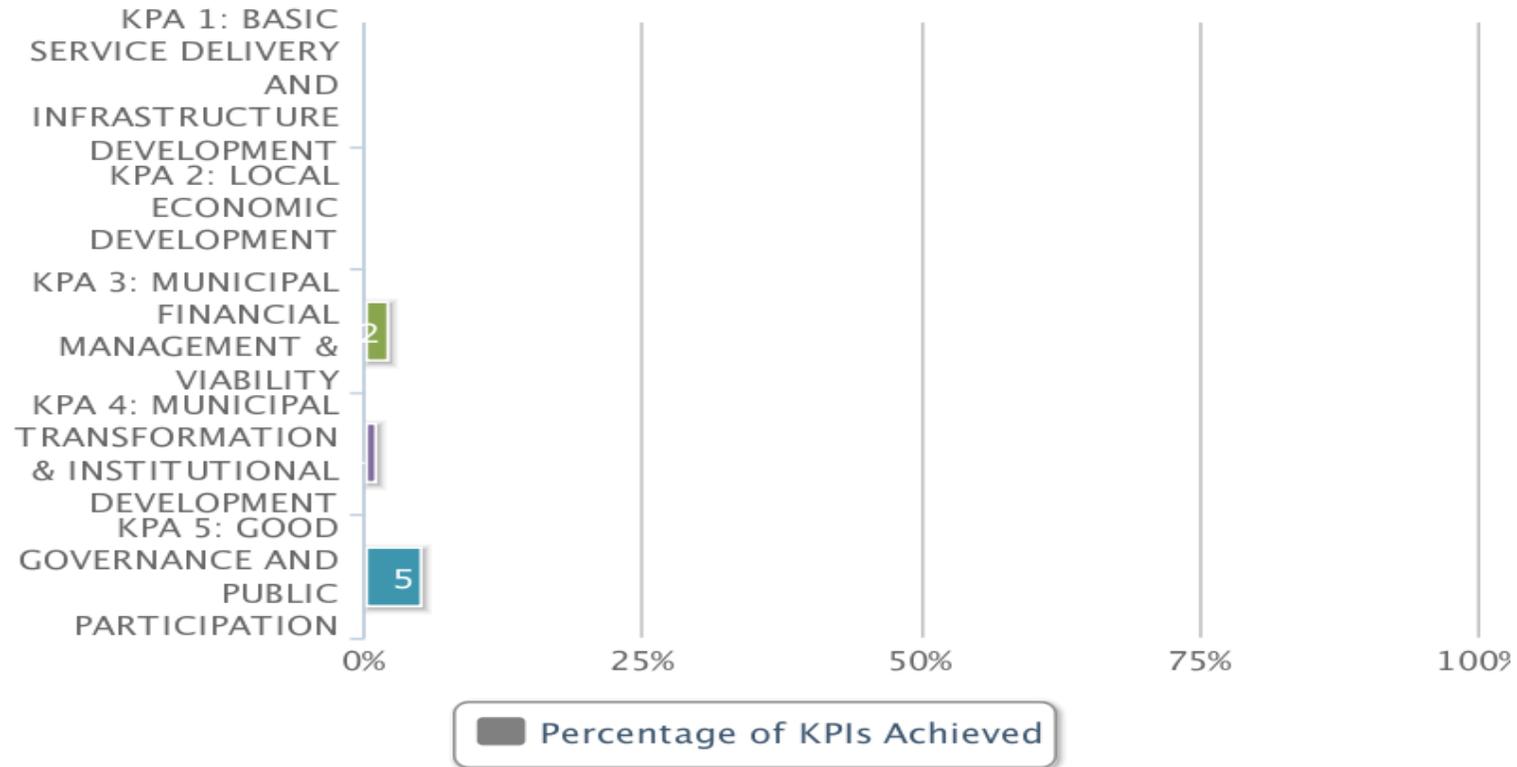
## Quarterly Report 2

### Organizational Scorecard per National KPA



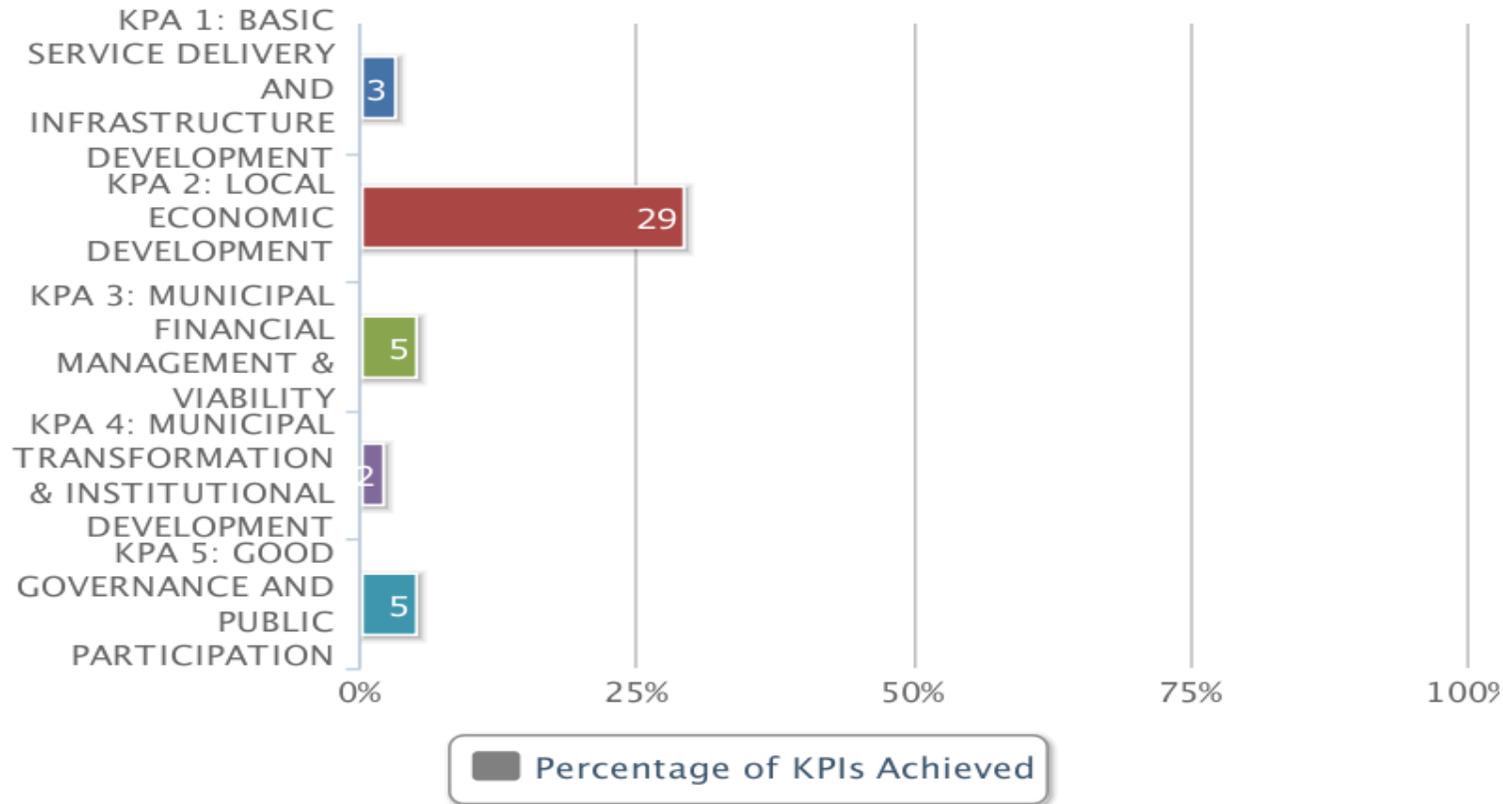
# Quarterly Report 3

## Organizational Scorecard per National KPA



# Quarterly Report 4

## Organizational Scorecard per National KPA



## 7. Analysis of organisational performance.

During the year under review Karoo Hoogland Municipality is still faced with a number of challenges ranging from staff shortages, the promotion of a culture of Performance Management and the monthly capturing of information (due to lack of reporting staff)

The alignment of the SDBIP with the performance contracts of section 57 managers is still a challenge as well as the financial projections. Progress has been made since the 2017/18 financial year and the analysis of the year under review is as follows:

- Progress has been made since the 2017/2018 financial year in relation to performance management
- Management should ensure that the PMS is cascaded to all levels within the organization
- Weak co operation from the majority of staff on reporting of their respective KPIS
- Minimal internal control systems on PMS

## 8. Conclusion

The individual as well as organizational scorecards depicts a skewed version of the actual service delivery reached given the lack of reporting by the responsible staff