



HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD
[REG. No: 2011/001221/07]

POLICY: OCCUPATIONAL HEALTH AND SAFETY

Administrative Responsibility:	Chief Executive Officer
Implementing Department / Departmental Unit	Corporate Services

OCCUPATIONAL HEALTH AND SAFETY POLICY

POLICY DOCUMENT CONTROL

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Summary of Amendments:

Version	Author	Date	Revised Date
V1	Corporate Services Manager	02 February 2024	13 February 2024

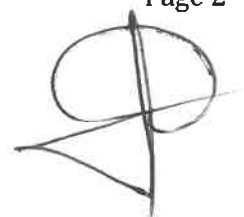


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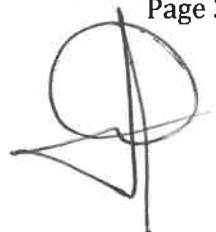
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PREAMBLE

The purpose of this policy is for the Harry Gwala Development Agency (PTY) LTD to ensure that all legal and statutory obligations are complied with.

The Agency strives to ensure that Health and Safety functions are completely integrated in Management practices and principles and therefore form part of the daily management activities and responsibilities.

1. BACKGROUND

- 1.1. It is the Agency's official policy to always protect its employees and assets by enforcing a high standard of Safety, Health, and Hygiene.
- 1.2. It is fully committed to Safety and Health and therefore, efficiency and effectiveness are not only goals, but also demands for its mutual prosperity and shall be striven for by all Employees.
- 1.3. The Agency undertakes to regard the Safety and Health of Employees, Customers/Clients, and the general public within its establishment as the highest priority.
- 1.4. The Agency takes the Occupational Health and Safety Act, 1993 (OHASA) and the Compensation for Occupational Injury and Diseases Act, 1993 (COID-Act) as its terms of reference for provision and maintenance of safety of employees.
- 1.5. All personnel must regard their own Safety and Health as high priority.

2. LEGAL FRAMEWORK

The policy was developed and guided by the following:

- 2.1. This policy is premised from the Occupational Health and Safety Act 85 of 1993, as amended;
- 2.2. Compensation for Occupational Injuries and Diseases Act 130 of 1993, as amended;
- 2.3. Labour Relations Act 66 of 1995, as amended.
- 2.4. This policy is implemented in furtherance of the Disaster Management Act 57 of 2000, as amended.

3. INTEPRETATION OF THE POLICY

- 3.1. All words contained in this policy shall have an ordinary meaning attached unless the definition or context indicates otherwise.
- 3.2. Any dispute on interpretation of this policy shall be declared in writing by any party concerned.
- 3.3. The CEO shall give a final interpretation of this policy in case of written dispute.
- 3.4. If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council/Arbitration and or Department of Labour and Employment.

“CEO” shall mean the Chief Executive Officer of the Harry Gwala Development Agency (Pty) Ltd – used interchangeably with Accounting Officer

“CFO” shall mean the Chief Financial Officer of the Harry Gwala Development Agency (Pty) Ltd

“Client” means someone who receives services from a professional.

“COIDA” means Compensation for Occupational Injuries and Diseases Act which provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases.

“DEL” means Department of Employment and Labour.

“HGDA” means the Harry Gwala Development Agency (Pty) Ltd, a company duly incorporated in terms of the laws of the Republic of South Africa with registration number: 2011/001221/07, in which the Harry Gwala District Municipality, as Parent Municipality, holds a sole interest.

“HGDM” means the Harry Gwala District Municipality, a Category C Municipality established in terms of Section 155(1)(c) of the Constitution of the Republic of South Africa, 1996 and in terms of Section 12(1) of the Municipal Structures Act, 32 of 2000 (as amended) and its successors in title. Includes duly authorised officials of the Municipality who have been delegated any powers, functions, and duties necessary to give effect to this Policy and decide upon and administer the matters referred to herein.

“NOSA” means the National Occupational Safety Association established to improve workplace safety

“Official” In relation to a municipality or municipal entity, means:

1. An employee of a municipal entity.

2. A person seconded to a municipal entity to work as a member of the staff of the municipal entity; or
3. A person contracted by a municipal entity otherwise than as an employee.

“OHS” means Occupational Health and Safety

“SHE” means Safety, Health, and Environment

4. APPLICATION OF THIS POLICY

- 4.1. This policy is applicable to all Staff, Customers/Clients, and visitors to Agency premises.

5. REGULATIONS

- 5.1. A summarized copy of this policy shall be displayed in premises of the Agency.
- 5.2. A copy of the Occupational Health and Safety Act shall be available in premises of the Agency.
- 5.3. The Agency shall develop its own Occupational Health and Safety Standards which shall be based on the 5-Star standards as developed by the National Occupational Safety Association (NOSA). These standards shall specifically refer to the following elements:-
 - 5.3.1. Premises and Housekeeping.
 - 5.3.2. Electrical and Personal Safeguarding.
 - 5.3.3. Fire Protection and Prevention.
 - 5.3.4. Incident (Accident)Recording and Investigation.
 - 5.3.5. Safety Organisation
 - 5.3.6. The agency shall in all respects comply with the OHSA and the COIDA and the regulations framed under these acts.

6. PROTECTIVE CLOTHING

- 6.1. The Agency shall not require or permit a General Assistant and/or EPWP Participant to work unless such employee uses the required Safety Equipment. Failure to use

protective equipment provided to safeguard the abovementioned employee could lead to disciplinary action.

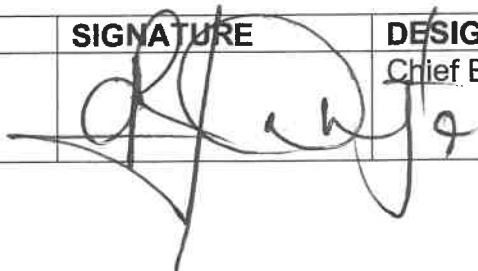
7. FIRST AID KIT AND FIRE EXTINGUISHER

- 7.1. All departments within the Agency shall have First Aid Kits. Tool kits should be supplied to and kept by employees who have received Health and Safety training.
- 7.2. All departments within the Agency shall have fire extinguishers in strategic places.
- 7.3. All employees requiring first aid shall receive such assistance from the designated custodian of the first aid kit.
- 7.4. The Agency has an assembly point and the signage in place should employees be required to assemble due to an existing or deemed danger.
- 7.5. OHS Committee shall meet quarterly to discuss matters of health and safety that may affect the Agency.

8. COMMENCEMENT OF POLICY

- 8.1. This Policy will come into effect on the date of adoption by the Board of Directors of the Harry Gwala Development Agency (Pty) Ltd.

APPROVED BY:

NAME	SIGNATURE	DESIGNATION	DATE
Ms ACR Wyte		Chief Executive Officer	25 April 2024

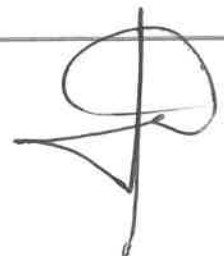


HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD

[REG. No: 2011/001221/07]

POLICY: PERFROMANCE MANAGEMENT POLICY – FRAMEWORK FOR ORGANISATIONAL AND INDIVIDUAL PERFORMANCE

Administrative Responsibility:	Office of the Chief Executive Officer
Implementing Department / Departmental Unit	Corporate Services Department



POLICY DOCUMENT CONTROL

POLICY NUMBER	HGDA 0013
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APPROVED BY	
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	Portfolio Committee/s- 19 April 2024
	HGDA Board- 24 April 2024
	HGDM Council- Not Applicable

Summary of Amendments:

Version	Author	Date	Revised Date
V1	Corporate Service Manager	02 February 2024	13 February 2024

PREAMBLE

The White Paper on Local Government (1998), to monitor service delivery progress within the local government sphere, proposed the introduction of a performance management system. It narrates that integrated development planning, budgeting and performance management are imperative in their nature to enable municipalities (incl municipal entities) to develop a cohesive perspective on development in their area of jurisdiction.

In order to ensure that the Harry Gwala Development Agency (HGDA) meets its organisational performance indicators and standards, each individual/team is allocated performance objectives, targets and standards that are linked to the objectives/business plan of the department and ultimately to the Entity's strategic goals.

Performance management is a two- way ongoing process of communication and interaction between the manager and the employee, focused on assisting an employee in achieving the required performance standards and competencies required of the job.

1. INTERPRETATION OF THE POLICY

1.1. Except to the extent to which the context may otherwise require, this Policy shall be construed in accordance with the following provisions of this sub-paragraph:

1.1.1. Any word or expression importing any gender shall include the other gender.

1.1.2. Words importing the singular also include the plural, and *vice versa*, where the context requires.

1.1.3. The following words shall have the meanings hereby assigned to them –

“Annual Report” In relation to a Municipality and municipal entity means an annual report contemplated in section 121 of the Municipal Finance Management Act 56 of 2003.

“CEO” shall mean the Chief Executive Officer of the Harry Gwala Development Agency (Pty) Ltd

“CFO” shall mean the Chief Financial Officer of the Harry Gwala Development Agency (Pty) Ltd



“Current Year” Means the financial year which has already commenced, but not yet ended.

“Evaluation” means 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 policymakers. Evaluation may assess relevance, effectiveness, efficiency, impact and sustainability of the institution and officials.

“Executive and Senior Managers” Includes Executive and Non-Executive Directors of the Board

“HGDA” means the Harry Gwala Development Agency (Pty) Ltd, a company duly incorporated in terms of the laws of the Republic of South Africa with registration number: 2011/001221/07, in which the Harry Gwala District Municipality, as Parent Municipality, holds a sole interest. (referred to as “the Agency”)

“HGDM” means the Harry Gwala District Municipality, a Category C Municipality established in terms of Section 155(1)(c) of the Constitution of the Republic of South Africa, 1996 and in terms of Section 12(1) of the Municipal Structures Act, 32 of 2000 (as amended) and its successors in title. Includes duly authorised officials of the Municipality who have been delegated any powers, functions, and duties necessary to give effect to this Policy and decide upon and administer the matters referred to herein.

“Section 54SA/58” means a person employed by a Municipality or municipal entity (see CEO) or as a manager directly accountable to the accounting officer and for which there is a Performance agreement.

“Indicator” means pieces of objective evidence that tell us whether progress is or is not being made in achieving goals.

“Input Indicator” means an indicator that measures the costs, resources and time used to produce an output.

“Input” means 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)” This is the area in which the municipal entity plays a role towards delivering services. These may include Infrastructure, Community Planning and Safety,



Strategic and Corporate Services, Social and Economic Development, Institutional Transformation, Governance and Financial Management, amongst others.

“Key Performance Indicator” Key Performance Indicators will be determined in respect of each development priority and objective. These indicators are subject to stakeholder engagements and will be used by each Department. 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.

“Monitoring” Monitoring involves collecting, analysing and reporting on inputs, activities, outputs and outcomes in a way that supports effective management. 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.

“Objective” means a projected goal that a person, system, or organisation plans or intends to achieve.

“Outcomes” means the ultimate effects of government activities on society in the medium to long term. These are the results of specific outputs for strategic goals identified in the Integrated Development Plan of the Shareholder as unpacked in the HGDA Growth and Development Strategy.

“Output” means the goods and services produced by the municipal entity which are identified by the Performance measures. Outputs may be defined as “what we produce or deliver.”

“Performance Audit Committee” means an independent committee appointed to assess the annual performance of the Municipality and report on the findings – in the instance of the Agency this Committee is referred to as the Audit Committee.

“Performance Plan” means a part of the performance agreement which details with the Measurable objectives (Outputs), Performance Measures (KPI's), targets and activities that are aligned to the SDBIPs.

“Political Office Bearers” means the Speaker, Executive Mayor, Mayor, Deputy Mayor or Member of the Executive Committee as referred to in the Municipal Structures Act – in this instance – reference is made to the Political Office Bearers of the Harry Gwala District Municipality.

A handwritten signature or mark, possibly initials, consisting of a large, stylized letter 'D' or 'Q' with a vertical line through it and a horizontal line at the bottom.

“Service Delivery and Budget Implementation Plan (SDBIP)” means a detailed plan approved by the Mayor of a Municipality in terms of section 53(1)(c)(ii) of the Municipal Finance Management Act for implementing the municipal entity’s delivery of its mandate as assigned by the Shareholder and its annual budget, and which must indicate –

- revenue to be collected, by source; and operational and capital expenditure, by vote;
- service delivery targets and performance indicators for each quarter; and
- any other matters that may be prescribed,
- and includes any revisions of such plan by the Mayor in terms of section 54(1)(c) of the Municipal Finance Management Act.

It is primarily an evaluation device that specifies the criteria that stakeholders will use to rate performance in satisfying their requirements. Organisational (Top Layer) SDBIP: Annual (Year under review) with Quarterly Targets. Departmental SDBIP: Annual (Year under review) with Quarterly Targets for CEO and Managers reporting to the CEO, Departments/Votes

2. PRIMARY LEGISLATIVE AND REGULATORY PROVISIONS

2.1. THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

Chapter 10 Section 195(1) –Basic values and principles governing public administration.

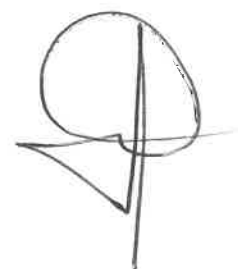
- *Good human resources management and career development Practices, to maximise human potential, must be cultivated.*
- *Effective and efficient use of resources must be promoted and*

2.2. THE WHITE PAPER ON LOCAL GOVERNMENT, 1998

The White Paper on Local Government (1998) suggests that local government should introduce the idea of performance management systems. It states that a performance management system would provide early warnings where municipalities are experiencing difficulties and enable other spheres of government to provide appropriate support before a crisis develops.

The White Paper acknowledges the importance of involving communities (stakeholders) in developing key performance indicators as it increases accountability. In the instance of the Harry Gwala Development Agency, consultation was derived from the Integrated Development Planning processes of the Harry Gwala District Municipality.

2.3. THE MUNICIPAL SYSTEMS ACT, 32 OF 2000 (and amendments)



Chapter 6 of the Municipal Systems Act, and specifically Sections 38 to 49, deal with organisational performance management. These legislative mandates require of all municipalities (and their entities) to:

- Develop of a performance management system.
- Monitor and review the performance management system.
- Set key performance indicators and performance targets.
- Publish an annual report on performance for the benefit of the communities served by the Municipality (HGDM as Shareholder).
- Incorporate and report on a set of general key performance indicators prescribed nationally by the Minister responsible for local government.
- Audit performance measurements both internally and externally, and
- Annually report on performance.

Chapter 7 of the Municipal Systems Act deals with local public administration and human resources. Section 57 of this chapter of the Act requires that the Municipal Manager (in the instance of the Agency: the CEO as Accounting Officer) and those officials reporting directly to the Municipal Manager (CEO) (i.e. Section 56 employees) sign annual performance agreements. An individual performance plan must be attached to the performance agreement, and it must include a set of performance measures that will enable actual performance of individuals to be assessed against planned performance.

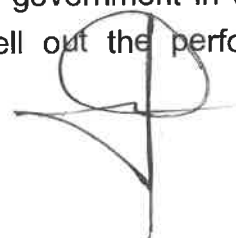
2.4. MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003 (MFMA)

Secures sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements.

- Determines the methodology to be used in the development and implementation of the performance management system and model.
- Deals with financial reporting and auditing (internal audit, audit committee)
- Deals with performance reporting. The municipal entity must prepare and deal with the annual report (financial and performance) within nine months of financial year end.

2.5. MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001

These Regulations were passed by the Minister responsible for local government in terms of Section 49 of the Municipal Systems Act. These Regulations spell out the performance

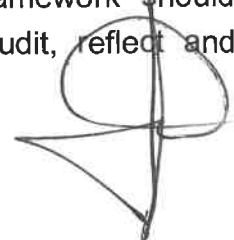


management responsibilities of municipalities and municipal entities in more detail. They deal with:

- The nature of the PMS
- The adoption of the PMS
- The setting of key performance indicators
- The general key performance indicators published by the Minister, which reflect the object of developmental local government.
- The review of key performance indicators.
- Setting of performance targets.
- Monitoring, measurement and review of performance.
- Internal auditing of performance measurements; and
- Community participation.

The regulations further instruct a municipal entity to ensure that its performance management system:

- Complies with the requirements of the Act.
- Demonstrates how the system will operate and be managed from the planning stage up to the stages of performance and reporting.
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system.
- Determines the frequency of reporting and the lines of accountability for performance.
- Relates to the municipal entity's employee performance management processes.
- Provides for the procedure by which the system is linked to the parent municipality's Integrated Development Planning processes.
- A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its strategic objectives.
- The implementation of the performance management framework should allow the municipal entity to collect, process, organize, analyse, audit, reflect and report on



performance information. It should also allow the municipality to take practical steps to improve its performance.

2.6. MUNICIPAL PERFORMANCE MANAGEMENT REGULATIONS, 2006

The Local Government Municipal Performance Regulations for municipal managers (CEO as is the case for the Agency) and managers directly accountable to the CEO (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 56 staff will be uniformly directed, monitored and improved.

The regulations address both the employment contract and performance agreement of municipal managers (CEO as is the case for the Agency) and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur. The regulations will be discussed in greater detail in a later section of this framework document.

3. APPLICATION OF THIS POLICY

- 3.1. This policy will apply to all employees of the Agency except casual employees, interns and employees hired for less than three months.
- 3.2. There will be no special exemptions from compliance with this Policy.

4. PURPOSE OF PERFORMANCE MANAGEMENT SYSTEM

- 4.1. The Harry Gwala Development Agency (HGDA) recognizes the significance of having a performance management system, not only as a legal requirement in terms of the applicable laws and regulations, but as an important instrument of corporate governance.
- 4.2. The performance management system ensures that a process of goal setting in the workplace is followed by a systematic, effective, efficient, and successful measuring process.
- 4.3. The policy is formulated against a need to establishing a formal process and strategy for managing both organizational and individual performance with a noble goal to achieving excellent standards of performance through an introduction and injection of a systematic set of rule and standards of performance in the workplace.
- 4.4. This document describes the process to be followed for individual performance management of senior managers of the HGDA, including the Chief Executive Officer (CEO) and managers/executives reporting directly to the CEO.
- 4.5. The policy framework outlines how the Individual Performance Management is to be



implemented and managed from the planning stage through the stages of performance review and reporting.

4.6. Individual Performance Management is a strategic human resources process aimed at attaining multiple organisational objectives, used as a tool to:

4.6.1. Enhance the contribution levels of individuals to be in line with priorities, objectives, indicators, and targets contained in in the HGDA's Multi-Year Business Plan.

4.6.2. Serves as a catalyst for the continuous improvement of the performance of the HGDA. The process requires that employees actively participate in identifying their own individual objectives as derived from the operational and strategic plans of the HGDA.

4.7. The criteria upon which the performance of the employee must be assessed consist of two components namely, the Key Performance Areas (KPA) and the Core Competency Requirements (CCR), both which must be contained in the performance agreement. The employee must be assessed against both components, with a weighting of 80:20 allocated to KPA's and CCR's. Each area of assessment will be weighed and will contribute a specific part to a total score. The KPA's covering the main areas of work will account for 80% and the CCR's will account for 20% of the final assessment.

5. OBJECTIVES OF THE POLICY

The aim of the Performance Management Policy is to:

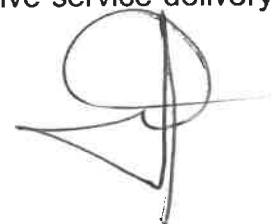
5.1. The Harry Gwala Development Agency (HGDA) Performance Management System (PMS) is the primary mechanism to monitor, review and improve the implementation of its Strategic Business Plan and to measure the progress made to achieve the objectives set out in the Business Plan. As the agency is the Harry Gwala District Municipality's entity, its business plan is set to achieve the mandate of the HGDM's integrated Development Plan. In addition, the PMS is set to:

5.1.1. Facilitate increasing accountability, learning, improvement, and provide early warning signals and facilitate decision-making.

5.1.2. Monitor actual performance against set targets and contractual obligations.



- 5.2. To establish a performance management system that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators, and targets contained in the strategic plan of the Entity.
- 5.3. To improve organizational performance, through effective management of resources, employees, and the relationship between individuals and the organization.
- 5.4. To maintain the HGDA's status as a world class development agency by:
 - 5.4.1. Achieving organizational goals through individual performance enhancement, thus optimizing team performance.
 - 5.4.2. Improving and enhancing employer-employee relationships.
- 5.5. Managing poor performance constructively by providing feedback, direction, and clarifying performance expectations through:
 - 5.5.1. Coaching to the employee relative to job performance in terms of what is achieved and areas for improvement;
 - 5.5.2. Identification of training and professional development needs to ensure that employees are being developed to their full potential;
 - 5.5.3. Fostering a learning culture and environment for continuous performance improvement.
- 5.6. Recognition and rewarding of excellent performance.
- 5.7. Identification, attracting, and retaining high performers for the entity.
- 5.8. This document serves as a guideline to direct, monitor and improve performance of all employees starting from the CEO, and executives.
- 5.9. To ensure that resources are utilised economically, effectively, and efficiently so that value for money may be realised. Of great importance in the process of individual performance management is the link between the organisation's objectives and the objectives set for its management team.
- 5.10. Align the strategic objectives, the budget and a performance management system in a cycle of prioritised, affordable and accountable planning and effective service delivery involving all staff and the local community.



6. SCOPE OF APPLICATION

The policy is applicable to the following categories of employees:

6.1. The policy shall apply to all employees of the Institution irrespective of the task grade.

7. RELATED POLICIES

This policy is in compliance and shall be read in conjunction with the following policies but not limited to-:

7.1 Employment Equity Act (Act 55 of 1998)

7.2 Labour Relations Act (Act 66 of 1995)

7.3 Municipal Finance Management Act (Act

7.4 Skills Development Act (Act 97 of 1998)

7.5 Basic Conditions of Employment Act (75 of 1997)

7.6 Succession Planning

7.7 The South African Local Government Bargaining Council (SALGBC) applicable to employees below the Executive Level.

8. POLICY

Performance Management (PM) is a business process intended to improve organizational and individual performance. The HGDA shall align this policy to the organizational values, strategy, and business plan. Performance Management shall be integrated into the HGDA business processes as it entails everyday actions and behaviours of management and employees working as teams and individuals delivering organizational goals and meeting stakeholder need, improving productivity and performance.

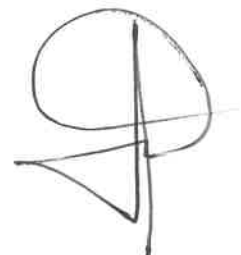
All levels of Management need to emulate consistent, visible performance management according to set standards, and according to organizational values.

Management and employees are required to use the Performance Management System to create a shared understanding of what is to be achieved and how it shall be achieved. This will be achieved by having a common understanding of the organisation's mission and goals.

9. PRINCIPLES GOVERNING PERFORMANCE MANAGEMENT



- 9.1 **Shared responsibility:** The HGDA and its employees shall participate and share responsibility for successful performance management.
- 9.2 **Mutual Agreement:** The individual performance contract shall specify the agreed performance outcomes.
- 9.3 **Measurable Outputs:** The performance output of each employee must be realistic, measurable, and aligned with clear performance standards.
- 9.4 **Alignment with strategic objectives:** The performance appraisal system must be designed to align the individual's performance with divisional and organizational strategic objectives and the component Scorecards.
- 9.5 **Fairness:** The system, process, appraisal methodology and as well as the rating scale shall be designed to ensure optimal fairness to all.
- 9.6 **Objectivity:** The system, process, appraisal methodology and as well as rating scale must provide for optimal objectivity.
- 9.7 The Agency shall manage performance in a consultative, supportive and non-discriminatory manner, to enhance organizational efficiency, effectiveness, and accountability for the use of resources and achievement of objectives.

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10. PERFORMANCE MANAGEMENT CYCLE

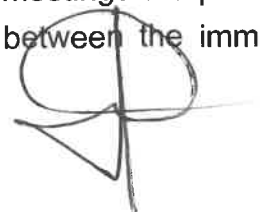
- 10.1 The performance Management cycle is a 12-month period for which performance is planned, executed, reviewed, and assessed.
- 10.2 Performance Management is aligned with the HGDA's annual performance plan and the financial year starting from 1st July to 30th June of the following year.
- 10.3 The 12-month cycle is also linked to the financial year for the purpose of planning a pay progression.

11. PERFORMANCE PLANNING AGREEMENT

- 11.1 The performance of agreement is derived from the HGDA's strategic plan, annual performance plan and job description of each employee.
- 11.2 All employees shall enter into and sign a performance agreement.
- 11.3 Individual performance agreements shall be put together once the Annual Performance Plan (APP) of the HGDA and the Component/Divisional Balance Scorecards have been completed. The Job Description shall also form part of the agreement.
- 11.4 The Performance Agreement covers the period 01st July to 30th June of each financial year.
- 11.5 The Performance Agreement must be signed by the 31st of July of each financial year. If 31st falls on a weekend, then on last working day preceding 31st July.
- 11.6 A Performance Agreement shall be entered between the employee and his/her Manager/Supervisor. The Manager/Supervisor shall ensure that each employee reporting to him/her has agreed to job output by signing the agreement.

12. PERFORMANCE MONITORING, REVIEW AND ASSESSMENT

- 12.1 **Performance Monitoring:** Performance must be continuously monitored to enable the identification of performance barriers and changes, and to address development and improvement needs as they arise. In addition, monitoring entails the modification of objectives and targets.
- 12.2 **Informal Performance Review:** Informal Performance Review meetings are part of the monitoring process. The review is a one-on-one discussion between the immediate

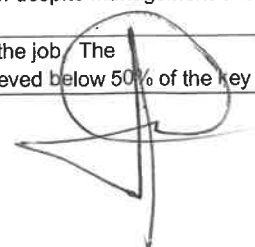


Manager/Supervisor and the employee. The Manager/Supervisor must use all opportunities to discuss the employee's performance, including teams/component meetings, reports, and informal discussions. Should the Manager/Supervisor believe that performance is below the required standard, such shortcomings must be brought to the attention of the affected employee.

- 12.3 Performance Assessment Discussions:** The assessment discussion should enable:
- 12.4 An opportunity for the immediate supervisor and the employee to assess performance and to identify areas of improvement.
 - 12.5 An opportunity for the supervisor to provide formal feedback on performance over the year.
 - 12.6 Agreement on an overall assessment score reflecting judgement on the level of achievement attained in terms of the Performance Agreement and Rating Scale for Bands B, C, D1 and D2.
 - 12.7 Performance and Rating Scale for Bands D3, E to F Senior Management Services (SMS) – The Performance Agreement for SMS contains Key Results Areas (KRA), information on the aspects of organizational APP and Auditor General (AG) opinion and findings. These form the basis on which the performance of the CEO and the Executive Managers and other categories of the SMS will be assessed.
 - 12.8 SMS members who have allocated a score of four (4) or five (5) to a KRA must provide a Portfolio of Evidence or detailed motivation to justify their scoring. The same shall apply to the Supervisor who increases an employee rating to 4 or 5.
 - 12.9 The following five (5) point rating scale shall be used to assess the performance of employees. The information on the table provides an explanation of the five-point rating scale, categories of performance and the associated descriptions. Portfolio of Evidence (PoE) must be submitted for all targets achieved. An employee who has allocated a score of four (4) or five (5) must provide a detailed motivation to justify this scoring with PoE.

Table 1: Five (5) Point Rating Scale

RATING	CATERGORY	DESCRIPTION
1	Unacceptable Performance	Performance does not meet the expected standard for the job. The review/assessment indicates that the employee has achieved less than fully effective results against all or almost all the performance criteria and indicators as specified in the Performance Agreement and work-plan. The employee has failed to demonstrate commitment or ability and has failed to meet the minimum despite management efforts to encourage improvement.
2	Performance not fully effective	Performance meets some of the expected standards for the job. The review/assessment indicates that the employee has achieved below 50% of the key



		performance criteria and indicators as specified in the Performance Agreement and the workplan.
3	Performance fully effective	Performance fully meets the expected standard in all areas of the job. The review/assessment indicates that the employee has fully achieved the results against all performance criteria and indicators as specified in the Performance Agreement and Workplan.
4	Performance above expectations (120% - 130% against set targets)	Performance is higher than the expected standard in the job. The review/assessment indicates that the employee has achieved above the performance criteria and indicators as specified in the Performance Agreement and Workplan, and the employee has excelled throughout the performance cycle
5	Outstanding Performance (more than 130% of the set target)	Performance far exceeds the expected standard in the job. The review/assessment indicates that the employee has achieved above the performance criteria and indicators as specified in the Performance Agreement and Workplan, and the employee has excelled throughout the performance cycle.

13. ORGANIZATIONAL PERFORMANCE BASED ON THE ANNUAL PERFORMANCE PLAN

13.1 A five (5) point rating scale will be used to interpret the performance level of the HGDA performance. The APP score will be calculated as a percentage of actual APP targets achieved.

Table 2: RATING SCALE AND DESCRIPTORS OF APP SCORING

RATING	DESCRIPTION
1	Did not achieve any of the planned APP targets (1% - 49%). (Partially achieved)
2	Achieved 50% - 99% of the planned APP targets. (Partially achieved)
3	Achieved 100% of the planned APP targets. Competent
4	Achieved 120% - 130% of the planned APP targets. Target exceeded
5	Achieved more than 130% of the planned APP targets. Target exceeded

13.2 For purposes of evaluating the CEO's half year and annual performance with transparency and to avoid any biasness, an evaluation panel must be established and constitute the following:

13.2.1 The Chairperson of the Board of Directors;

13.2.2 The Chairperson of the HR, Finance Committee;

13.2.3 The Chairperson of the Governance Committee;

13.2.4 The Chairperson of Audit & Risk Committee; and

13.2.4 Section 57 member of the HGDM.

13.3 For purposes of evaluating the half year and annual performance of managers directly accountable to the CEO, the evaluation panel must be established and constitute the following:

13.3.1 The Chief Executive Officer;

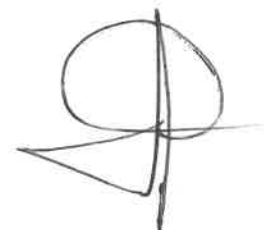
13.3.2 The Chairperson of the Board of Directors;

13.3.3 The Chairperson of the HR, and Finance Committee;

13.3.3 The Chairperson of the Governance Committee;

13.3.4 The Chairperson of Audit & Risk Committee; and

13.3.5 Section 57 member of the HGDM.

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14. PERFORMANCE REVIEW

14.1 Performance reviews will be conducted as per Table 3 and Table 4 below:

Table 3: QUARTELY REVIEW

QUARTER	PERIOD OF ASSESSMENT	DATE OF REVIEW	NATURE OF REVIEW
First Quarter	July – September	Before 31 October	Formal and recorded
Second Quarter	October – December	Before 31 January	Formal and recorded
Third Quarter	January – March	Before 30 April	Formal and recorded
Fourth Quarter	April – June	Before 31 July	Formal and recorded. This will include the final assessment for the financial period.

14.2 During the formal performance reviews the immediate Manager together with the established panels should review the employee performance. In the instance of an informal assessment the Manager will review the employee's performance. Each employee's deliveries are defined in a performance plan where evidence required for each key performance indicator (KPI) is documented. The employer should keep records of all review assessments.

15 AUDITOR GENERAL'S OPINION AND FINDINGS

15.1 A five-point rating scale will be used. In scoring this element, the individual SMS member's contributions to the financial performance of the programme must be considered.



Table 4: RATING SCALE AND DESCRIPTIONS

RATING Assigned to Performance	FINAL SCORE in Percentage (%)	AG REPORT CATERGORY	DESCRIPTION
0	0%	Disclaimer	<p>There is a lack of sufficient and appropriate audit evidence to the extent that the AG is not able to form an opinion.</p> <p><i>This is not a "clean" audit opinion and is the worst type of audit outcome. Due to lack of evidence, the auditors cannot form an opinion on financials.</i></p>
1	8%	Adverse opinion	<p>The auditor disagrees with the representation made by management in the financial statements to the extent of confirming that it is NOT a fair reflection of the financial position. <i>This is not a "clean" audit opinion and indicates that the evidence obtained by the auditors does not agree to the figures disclosed in the financials.</i></p>
2	17%	Qualification	<p>The The auditor concludes that, except for specifically listed material errors, the financial statements remain a fair reflection. <i>This not a "clean" audit opinion, but with a little additional effort, this can become an unqualified audit opinion.</i></p>
3	25%	Unqualified audit opinion with other matters	<p>The financial statements are unqualified but there are other matters, which signify "red flags" <i>Although these have not yet led to a qualification, they may – if not fixed – lead to a qualification in future years.</i></p>
4	33%	Unqualified audit opinion with no matters	<p>Th This is when the auditor comes to the conclusion that the</p> <p>Th financial statements present fairly, in all material respects, the financial position of the auditee (also referred to as a "clean" opinion)</p> <p><i>THIS IS THE IDEAL AUDIT OUTCOME</i></p>

16 EMPLOYEES ROLES AND RESPONSIBILITIES

16.1 Employees B, C to Lower D Band



A performance review/assessment of employees B, C, and lower D bands shall be conducted between the employee and the relevant Executive Manager/Manager/Supervisor respectively.

16.2 **Executive Managers**

A performance review/assessment of the Executive Managers shall be conducted as paragraph 13.3 above.

16.3 **Chief Executive Officer**

A performance review/assessment of the CEO shall be conducted as per paragraph 13.2 above. At the end of each review/assessment, a record of the discussion and the results shall be signed by both the CEO and the Chairperson of the Board.

16.4 It is the responsibility of each employee to adhere to and comply with the Performance Management Policy of the HGDA.

16.5 All business unit managers are solely responsible for implementing the Performance Management Policy within their areas of responsibility, and for adherence to by their staff to this policy.

16.6 The CEO has a direct responsibility for this policy, for maintaining this policy, and for providing advice and guidance on its implementation.

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16.6 PERFORMANCE IMPROVEMENT

16.6.1 Where the annual performance review and or performance assessment establishes that an employee's performance does not meet the required standards of the HGDA, corrective action must be taken by the relevant Manager/Supervisor.

16.6.2 The performance review and or assessment with the employee will reveal the nature of the shortfalls or gaps between expected outputs and actual results achieved, and the involved must agree to a corrective course of action.

16.6.3 The outcome of any performance improvement action must be an agreement signed by the parties involved in the discussion that lists the extent of the performance gaps or shortfall, the measures that will be taken to address these, and the expected timeframes for implementing these performance improvements actions.

16.6.4 Manager/Supervisor is responsible for and accountable for this process.

16.6.5 Methods of performance improvement may include, but are not limited to:

- Training/re training;
- Counselling/coaching;
- Consideration of the incapacity due to poor work performance which is in line with the Labour Relations Act.

16.7 ABSENCE DURING THE PERFORMANCE CYCLE

16.7.1 Normal periods of leave, for example the vacation leave and/or short periods of sick leave do not usually interfere unduly with the employee's performance management cycle.

16.7.2 In the case of other forms of absence, for example, a continuous prolonged period of absence, the manager/supervisor and the employee should have a discussion to reach a mutual agreement on the ability to execute a meaningful rating for that period or annual assessment.

16.7.3 If it is not possible to make a meaningful review or annual rating, it must be indicated in writing. A new work plan may also need to be developed on return from a prolonged absence. While an employee is not penalized for any form of formally approved leave, it is also true that an employee who has been absent for a prolonged period, has not rendered the same extent of service as an employee who did not have such a prolonged leave.



16.8 ACTING IN HIGHER POSITION

16.8.1 When an employee is appointed to act in higher position for shorter than eight (8) weeks, the work plan should be based on the post that the employee is permanently appointed to. Depending on the employee's performance during the period of acting, recognition for performance of the duties of the higher position should be given during the performance assessment, on the work plan of the permanent post.

16.8.2 When acting in a higher position for longer than eight (8) weeks continuously, where an acting allowance is being paid, a work plan must be compiled for the higher position that the employee would be expected to perform against.

16.8.3 The performance of the employee acting in the higher position, will be assessed in terms of the amended work plan, against the standards applicable to the level of the employee's permanent position.

16.8.4 Performance incentives must be calculated at the salary level of the post to which the employee is permanently appointed, based on the employee's salary notch on 30 June of the cycle.

16.9 PROBATION

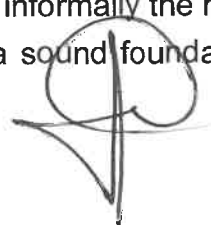
16.9.1 A newly appointed employee for a period of not less than 12 months will be required to serve a six-month probationary period prior to the confirmation of employment. In instances where an employee's probationary period has not been confirmed would need to undergo a similar process.

16.9.2 Employees hired for a period of less than 12 months but not less than 3 months, will be required to serve a probationary period of two to three months prior to the confirmation of employment.

16.9.3 Employees hired for a period less than three months will not be required to serve probation.

16.9.4 During probation, employees shall be given an opportunity to demonstrate performance up to standards expected of them and be provided with appropriate feedback, assistance and support to achieve them.

16.9.5 The new incumbent and his/her supervisor will discuss formally or informally the required performance levels within the first month of employment to lay a sound foundation for tracking performance.



16.9.6 Performance of employees on probation for a six-month period shall be assessed on a bi-monthly basis.

16.9.7 The CEO shall be responsible for approval and confirmation of satisfactory completion of probation by each employee of the Agency.

16.9.8 Upon successful completion of probation, the employee shall be issued with a letter of confirmation of employment from the Corporate Services Department. In instances where probation is yet to be confirmed as a result of poor or unacceptable performance, an engagement between the employee, Corporate Services Department and the CEO would need to determine and demonstrate the level of poor or unacceptable performance together with mitigation measures.

16.9.9 The probation cycle is linked to the appointment date of an employee. Probation applies to employees who are newly appointed into the organisation, those who have been promoted, and those who are transferred from one location to another.

16.9.10 The Manager/Supervisor needs to agree with the affected employee on what needs to be achieved in the time allocated for the probation period and contract accordingly.

16.9.11 The performance reviews shall be conducted as per the performance management process, it should be noted that if an employee is not performing to expected standards, the Manager should not wait until the end of the probation period before having a performance discussion.

16.9.12 At the expiry of the probationary period, the immediate supervisor of the probationer must make a recommendation on whether to confirm or not confirm the appointment.

16.9.13 If the probationer is not deemed suitable for the relevant post, the following should be considered:

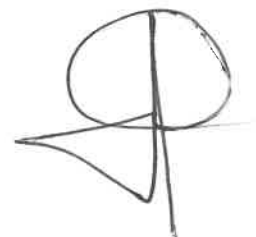
- a) Extension of the probation period;
- b) Formal registration on the incapacity programme; and
- c) Dismissal as a last resort in line with the Labour Relations Act.

16.9.14 An employee put on extended probation will be assessed monthly.

- a. Probation monitoring shall encompass both conduct and performance of an employee.



b. Notwithstanding clause 16.7.13 (a) above, termination on the grounds of misconduct shall be preceded by the institution of disciplinary proceedings against the employee.

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17 MONITORING AND SANCTIONS

17.1 Any person, subject to this policy, who fails to comply with the provisions as set out above or any amendment thereto, shall be subjected to appropriate disciplinary or legal action.

17.2 A violation of this policy shall result in disciplinary action which could include termination of employment and, legal action taken against the individual offender.

17.3 Any deviation from this policy must be reported to the CEO and approved by the Board.

18 POLICY MAINTENANCE

18.1 This policy shall be reviewed every twenty-four (24) months for its continued appropriateness by the Corporate Executive or the Human Resources Manager, save for instances where circumstances warrant a shorter period of time, from coming into operation and any proposed changes shall be addressed to the CEO through the Corporate Executive, and presented to the HR and Finance Comm for recommendation to the Board for approval.

APPROVED BY:

NAME	SIGNATURE	DESIGNATION	DATE
MS ACR Whyte		Chief Executive Officer	

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