



Molemole Municipality

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MOLEMOLE MUNICIPALITY

**AS REPRESENTED BY
MUNICIPAL MANAGER**

**Mr. ML MOSENA
(Employer)
AND**

**Ms K ZULU
CHIEF FINANCIAL OFFICER**

(Employee)

FOR THE

FINANCIAL YEAR: 01 SEPTEMBER 2018 – 30 JUNE 2019

Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;

- 2.3. Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job;
- 2.6. In the event of outstanding performance, to appropriately reward the employee; and
- 2.7. Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1. This agreement will commence on the **1st September 2018** and remain in force until **30th June 2019** thereafter a new performance Agreement, Service Delivery Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2. The parties will review the provisions of this agreement during June. The parties will conclude a new performance agreement and Service Delivery Plan that replace this agreement at least once a year and be signed before the end of the first month of the financial year.
- 3.3. This agreement will terminate on the termination of the **employee's** contract of employment for any reason.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

5. PERFORMANCE OBJECTIVES

- 4.1. The Performance Plan / SDBIP (Annexure A) Set out-

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- 5.5.1. The **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA)s and the Core Competency Requirements (CCRs) respectively.
- 5.5.2. Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.5.3. KPA)s covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.6. The **Employee's** assessment will be based on his/her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan /SDBIP, which are linked to the KPA,s and will constitute 80% of the overall assessment result as per the weightings agreed to between the **Employer and Employee:**

Key Performance Areas (KPA)s	Weighting
Basic Service Delivery	20%
Municipal Institutional Development and Transformation	20%
Local Economic Development (LED)	5%
Municipal Financial Viability and Management	20%
Good Governance and Public Participation	30%
Spatial Rationale	5%
TOTAL	100%

- 5.7. In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the municipal manager and the relevant manager.
- 5.8. The CCRs will make up the other 20% of the **Employee's** assessment score. CCRs that are deemed to be most critical for the **Employee's** specific job should be selected (✓) from the list below as agreed to between the **Employer and Employee.** Three of the CCRs are compulsory:

1.1.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	✓	Weight
Strategic Capacity and Leadership	✓	15%
Programme and Project Management	✓	5%
Financial Management	Compulsory	15%
Change Management		5%
Knowledge Management		5%
Service Delivery Innovation	✓	5%

6.4. The **Employee's** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP.

6.5. The annual performance appraisal will involve:

6.5.1. **Assessment of the achievement of results as outlined in the performance plan:**

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b). An indicative rating on the five-point scale should be provided for each KPA.
- (c). The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2. **Assessment of the CCRs**

- (a). Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b). An indicative rating on the five-point scale should be provided for each CCR.
- (c). This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d). The applicable assessment rating calculator (refer to paragraph 6.5.1.) must then be used to add the scores and calculate a final CCR score.

6.5.3. **Overall rating**

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

6.6. The assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and CCRs:

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- 6.7.1. Executive Mayor or Mayor;
 - 6.7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.7.3. Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
 - 6.7.4. Mayor and /or municipal manager from another municipality; and
 - 6.7.5. Member of a ward committee as nominated by the Executive Mayor or Mayor.
- 6.8. For purpose of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluating panel constituted of the following persons must be established-
- 6.8.1. Municipal Manager;
 - 6.8.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.8.3. Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
 - 6.8.4. Municipal manager from another municipality.
- 6.9. The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

- 7.1. The performance of each **employee** in relation to his or her performance agreement shall be reviewed on the following dates with the understanding that reviews in the third quarter may be verbal if performance is satisfactory:
- | | | |
|-----------------------|---|-------------------------|
| First Quarter | : | July –September 2018 |
| Second Quarter | : | October – December 2018 |
| Third Quarter | : | January – March 2019 |
| Fourth Quarter | : | April – June 2019 |
- 7.2. The **employer** shall keep a record of the mid-year review and annual assessment meetings.
- 7.3. Performance feedback shall be based on the **employer`s** assessment of the **employee`s** performance.
- 7.4. The **employer** will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The **Employer** will be fully consulted before any such change is made.
- 7.5. The **employer** may amend the provisions of Annexure A whenever the performance

9.1.4. On the request of the **Employee** delegate such powers reasonably required by the **Employee** to enable him/her to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5. Make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1. The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others -

10.1.1. A direct effect on the performance of any of the **Employee's** functions;

10.1.2. Commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and

10.1.3. A substantial financial effect on the **Employer**.

10.2. The **Employer** agrees to inform the **Employee** of the outcome of any decision taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1. The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2. In the case of unacceptable performance, the **Employer** shall –

11.2.1. Provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and

11.2.2. After appropriate performance counseling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION

12.1. Any disputes about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and / or any other matter provided for, shall be mediated by –

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BUDGET AND TREASURY

BUDGET AND REPORTING

Key Performance Area (KPA) 4:		Municipal Financial Viability and Management													
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System													
Outputs 1 & 7:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 													
Strategic Objective		To ensure sound and stable financial management													
Project No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2018/19 annual target	Quarter 1 target	Quarter 2 target	Quarter 3 target	Quarter 4 Target	Location of project	2018/19 Annual Budget R	Means of verification	Achieved/ Not achieved	Reason for variation	
BUDGET AND REPORTING															
79.	Budget and reporting	An approved credible adjustment budget as per MBRR	Number of approved credible adjustment budget as per MBRR	1x 2018/19 Adjustment budget approved	1 approved credible adjustment budget as per MBRR	No target	No target	1 approved credible adjustment budget	No target	Municipality	R0	Council Resolution	An approved credible adjustment budget as per MBRR	Number of approved credible adjustment budget as per MBRR	

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Key Performance Area (KPA) 4: Municipal Financial Viability and Management													
Outcome 9: Responsive, Accountable, Effective and Efficient Local Government System													
Outputs 1 & 7: Implement a differentiated approach to municipal financing, planning and support													
Administrative and financial capability													
Strategic Objective													
Project No.	Key performance indicator	Project Name	Baseline	2018/19 annual target	Quarter 1 target	Quarter 2 target	Quarter 3 target	Quarter 4 Target	Location of project	2018/19 Annual Budget	Means of Verification	Achieved/ Not achieved	Reasons for variation
82.	Compilation of quarterly Financial Statements.	Number of quarterly financial statements compiled	None	3x 2018/19 quarterly financial statements compiled	1x 2018/19 quarterly financial statements compiled	1x 2018/19 quarterly financial statements compiled	1x 2018/19 quarterly financial statements compiled	No target	Municipality	R600 000.00	Signed AFS	Compiled Quarterly Financial Statements.	Number Quarterly financial statements compiled
83.	Submission of Annual Financial Statements.	Number of annual financial statements submitted to the Auditor General	2016/17 AFS submitted	1x 2017/18 Annual financial statements submitted to the Auditor	1x 2017/18 Annual financial statements submitted to the Auditor	No target	No target	No target	Municipality	R900 000.00	Acknowledgment letter	Submission of Annual Financial Statements.	Number of annual financial statements submitted to the Auditor General

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Municipal Financial Viability and Management													
Responsive, Accountable, Effective and Efficient Local Government System													
<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 													
To ensure sound and stable financial management													
Key Performance Area (KPA) 4:	Municipal Financial Viability and Management												
Outcome 9:	Responsive, Accountable, Effective and Efficient Local Government System												
Outputs 1 & 7:	<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 												
Strategic Objective													
86.	Submission of reports on mSCO A implementation plan.	Number of reports on SCO A implementation plan.	4x reports submitted	4x quarterly reports	1x quarterly report	1x quarterly report	1x quarterly report	1x quarterly report	Municipality	R0	Council resolution	Submission of reports on mSCO A implementation plan.	Number of reports on SCO A implementation plan.
87.	Submission of section 72 report.	Number of section 72 (mid-year) report submitted	1x Section 72 reports submitted	1x Section 72 reports submitted	No target	No target	No target	1x Section 72 reports submitted	Municipality	R0	acknowledgement letter	Submission of section 72 report.	Number of section 72 (mid-year) report submitted
Budget and reporting													

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Project No.	Project Name	Key performance indicator	Baseline	2018/19 annual target	Quarter 1 target	Quarter 2 target	Quarter 3 target	Quarter 4 Target	Location of project	2018/19 Annual Budget	Means of verification/Portfolio of evidence	Achieved/ Not achieved	Reason for variation
92.	Procurement Plan	Approved Procurement Plan	Approved Procurement Plan	Approved Procurement Plan	1 x Approved Procurement Plan	No Target set for the quarter	No Target set for the quarter	No Target set for the quarter	MLM	Nil	Approved Procurement Plan		
93.	SCM Performance Plan	Number of Scm Performance Report	4 x Scm Performance Report	4 x Scm Performance Report	1 x SCM Performance Report	1 x SCM Performance Report	1 x SCM Performance Report	1 x SCM Performance Report	MLM	Nil	SCM Performance		
94.	Identification of Risk	Number of risk identification	100% risks resolved	100% risks resolved	100% risks resolved	100% risks resolved	100% risks resolved	100% risks resolved	MLM	Nil	List of risks attended and resolved		

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EXPENDITURE MANAGEMENT

Project No	Priority Area(IDP)	Project Name	Key Performance Indicator	Baseline	2018/19 Annual Target	Quarter 1 Targets	Quarter 2 Targets	Quarter 3 Targets	Quarter 4 Targets	Location of project	2018/19 Annual Budget R	Means Verification	Of Achieved/ Not achieved	Reason for variation
100.	Financial Management	Fruitless and wasteful expenditure registers	Number of Updated Fruitless and Wasteful Expenditure register	1x updated Fruitless and Wasteful Expenditure register	1x Updated Fruitless and Wasteful Expenditure register	1x Updated Fruitless and Wasteful Expenditure register	1x Updated Fruitless and Wasteful Expenditure register	1x Updated Fruitless and Wasteful Expenditure register	1x Updated Fruitless and Wasteful Expenditure register	MLM	NIL	Supplier invoices		
101.		Creditor's reconciliation	Number of creditors' reports reconciling to the Creditor's ageing analysis	12 X 12 Creditors reports reconciling to the Creditor's ageing analysis	12 X 12 Creditors reports reconciling to the Creditor's ageing analysis	3 X Creditors reconciliations	3 X Creditors reconciliations	3 X Creditors reconciliations	3 X Creditors reconciliations	MLM	NIL	Creditors Invoices, Creditors Ageing analysis, creditors reconciliations		
102.	AG action plan	Audit action plan	Percentage of audit queries addressed	New indicator	100% of Auditor General queries addressed	No target set for the quarter	Compilation of the audit action plan	50% of Auditor General queries addressed	100% of Auditor General queries addressed	MLM	Opex	Audit action plan		
103.	Risk Management	Risk register	Percentage of risks resolved within timeframe as specified in the risk register	% of risks resolved within the timeframe as specified in the register	100% of risks resolved within the timeframe as specified in the register	100% of risks resolved within the timeframe as specified in the register	100% of risks resolved within the timeframe as specified in the register	100% of risks resolved within the timeframe as specified in the register	100% of risks resolved within the timeframe as specified in the register	MLM	Opex	Strategic register		

Employee: *Khanyisik Zulu* Manager/Immediate Supervisor: *Mosera ml*
 Date: *1 September 2018* Date: *03 September 2018*
 Signature: *[Signature]* Signature: *[Signature]*

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