



## **PERFORMANCE AGREEMENT**

***MADE AND ENTERED INTO BY AND BETWEEN:***

**SENQU MUNICIPALITY**

**“(Hereinafter referred to as the employer)”**

**Represented by**

**The Municipal Manager**

**Mr M.M Yawa**

**and**

**Mr. Kenneth Fourie**

**FINANCIAL SERVICES DIRECTOR**

**“(Hereinafter referred to as the employee)”**

**2022/2023**

**PERFORMANCE AGREEMENT: PART A**

## 1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 (“the Systems Act”). The **Employer** and the **Employee** are hereinafter referred to as “the Parties”.
- 1.2 Section 57(1) (b) (ii) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement within one (1) month after the beginning of each financial year of the Municipality.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of **both the Employer the Employee** to a set of outcomes that will secure Local Government policy goals.
- 1.4 Section 57(1) (a) (b), (4A), (4B) ,(4C) and (5) of the Systems Act; No 32 of 2000 and subsequent amendments (the Systems Act, No Act 7 of 2011) , read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement within 60 days after the beginning of the financial year. The updated Performance review of the previous year will occur no later than July each year.
- 1.5 In its comprehensive version, this Performance Agreement is made up of five components, namely.
- 1.5.1 **PART A:** The generic contextualizing agreement, which is not to be measured / assessed for performance but rather sets the legal and relationship context and stage for all other subsequent assessable sections / parts of this performance agreement.
- 1.5.2 **PART B (Approximate weighting = 80%): Employee’s Core Contributory Performance – Top Layer SDBIP-Based Scorecard Issues.** It is the **Performance Plan** for which this executive employee alone leads and is accountable for achieving the specific and unique outcomes set out for his / her department across the whole municipality in the Top Layer SDBIP. Part B does not focus on outcomes that a generic for all executives performed within and for their departments. It is the first measurable Part, wherein measurable targets in all unique **Strategic (from the TL SDBIP) and Functional (From Job Profiles)** outcomes and objectives have been set. For brevity, these outcomes and objectives must come from all only those KPAs wherein the executive employee’s work cannot be generalized with that of her / his other executive peers **(in Part C below)**. The individual executive employee targets are based on the (i) Top Layer (Institutional) and (ii) Departmental /Directorate SDBIPs objectives and targets wherein the

section 57 Manager plays a unique significant leadership contribution (iii) whatever strategic targets set in the Executive's Employment Contract Performance Clause.

- 1.5.3 **PART C (approximate weighting = 0%):** This is a crucial part of the executive employee's scorecard. It measures those aspects of work that all executives at this level are expected to perform on and achieve working as Heads for their departments. Since all executive directors do most of their work through other employees below them (subordinate / divisional managers), at this executive level, this Part C carries the greatest weighting of all the other scorecards in the Performance Agreement. It plans out and measures all departmental level strategic (in the departmental SDBIP) and generic / core managerial competence areas largely found in the functional list of the executive's COGTA Job Profile list of activities and outputs. Though most important, these core managerial competences (CMC and Critical Competence Requirements (CCRs), these are not unique. They are generic competences and performances that every section 57 executive employee must perform and be assessed on. These cover all 6 KPAs though mostly weighted heaviest on KPA 3 (Financial Management & Viability); KPA 4: Institutional Transformation and Municipal Development) and KPA 5: Good Governance & Public Participation). These come from annually selected and prioritized Core Managerial Competences (CMCs) and Core Competency Requirements (CCRs). This selection process in this year has been streamlined to pick and use only those aspects which are already listed in the various Directors & MM's Job Profiles combined with those leadership roles implied in achieving each of the Top Layer SDBIP objectives and targets unique to the department that the executive leads.
- 1.5.4 **PART D (0%): Antecedent Input Behaviours. These are strategically winning behaviours that define what an individual must do in order that they succeed in leading strategic - performance in the municipality and in their department.** These have been given a weighting of zero – meaning they will be understood to be applicable in future but are not measured this Financial Year as a way of not slowing down the overwhelming parts of change management. In the years when these will be measured, their weighting will be borrowed from Parts B and C above so that this Part D weighs a maximum of 15% and still retain the overall weighting of Parts B, C & D at 80. The logic of including Part D Scorecard in the Performance Agreement is that, any manager or any employee's performance is enhanced or reduced by certain behavioral habits / practices that they adopt and display, for example, how they manage time, how they make decisions, how they build, lead or work in teams to mention a few. To ensure that these winning antecedent behaviours are always at their most positive to impact performance, KPIs and Targets are set in this Part to measure the institutionally selected behaviours. The selection of the top five or so can be agreed at executive management level or assigned to the MM and her / his delegated director (like Corporate Services Director where Individual Performance resides).

**1.5.5 PART E (20%): Competence – based Individual Development or Learning Plan (CBIDP).**

These are commonly called Personal Development Plans (PDPs) or Individual Development Plans (IDPs). Different from previous practices in many organisations, in this Part E, these competence development areas will be planned and measured against (i) competence gaps in fulfilling current job requirements and performances (**roughly 40% of this Part E**) (ii) generic individual managerial or developmental competence / performance gaps (**roughly 40% weighting of this Part E**) (iii) life development goals (**at 20% weighting at own cost but leave time allowed for examinations**). Unlike in Senqu's previous practices on the PDPs, and unlike what many other municipalities where PDPs are just a "wish list", whose actual achievement does not impact the employee's performance, in this case these Competence-Based Individual Development Plans CBIDPs have set targets and will constitute 20% of the overall performance of that employee in line with the provisions of the Skills Dev Act.

**1.5.6** This Performance Agreement cannot be interpreted as if it is replaceable by the Performance Clause in the Executive's 5 Year Contract of Employment as some do at times. This agreement is an annualized sub-set through whose cumulative performance measurement and tracking, whatever the executive would have committed to deliver in 5 years gets achieved.

## **2. PURPOSE OF THIS AGREEMENT**

The purpose of this Agreement, as agreed by both parties, is to, inter alia.

- 2.1** comply with the provisions of Section 57(1)(b), (4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties;
- 2.2** specify objectives and targets defined and agreed with the employee and to communicate to the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development 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 or her 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 Notwithstanding the date of signature hereto, this Agreement will commence on the **1<sup>st</sup> July 2022** and will remain in force until **30<sup>th</sup> June 2022**. Thereafter, a new Performance Agreement, made up of the Performance Plan (the four parts B, C, & D Scorecards) and Personal Development Plan (CBIDP) shall be concluded between the parties for the next financial year or any portion thereof along the lines explained above.
- 3.2 The parties will review all the provisions of this Performance Agreement against its own efficaciousness as well as against existing and / or new local government policy changes in June of each year as part of the Performance Management System Annual Review. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than 31<sup>st</sup> July of each successive 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 re-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.
- 3.6 All revisions and amendments of this Agreement must be **immediately** noted and **immediately** counter-signed by the two agreeing parties, namely, the Employer and the Employee.

#### 4 PERFORMANCE OBJECTIVES, KEY PERFORMANCE INDICATORS (KPIs), BASELINES AND TARGETS

- 4.1 Mutually aligned performance objectives, related KPIs, their KPI related baselines and targets form the basis and value chain of any strategic – performance management system of any organisation like the municipality.
- 4.2 They are kept in proper alignment through a Performance Plan as described below.
- 4.3 The full Performance Plan or Scorecard (**Parts B, C, D & E**) sets out-
- 4.1.1 the performance objectives and targets that must be met by the **Employee**; and
  - 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.4 The performance objectives and targets reflected in (**Parts B, C and D**) as well as the Part E: (Competence Based Individual Development Plan (CBIDP) are set by the **Employer** in consultative agreement (hence the term Performance Agreement) with the **Employee** and are all based on or clearly aligned to the approved Integrated Development Plan, Top Layer Service Delivery and Budget Implementation Plan (TL SDBIP) and the Budget of the **Employer** and shall include key strategic and functional objectives; key performance indicators; target dates, weightings to reflect urgency and prioritisation, resource requirements, Means of Evidence Verification (MOVs).
- 4.2.1 The key objectives describe the main intended achievements that need to be accomplished as derived from the Institutional (Top Layer) and Departmental SDBIPs wherein the Director makes their contribution in the Municipality.
  - 4.2.2 The **key performance indicators** provide the details of the evidence that must be provided to show that a key objective has been achieved. **Key** here means that there are many indicators from where one can chose, so the choice must prioritise only the few that will move forward the strategic objectives the most.
  - 4.2.3 The **baselines** are very important and must be decided consistent with language and units implied in the performance indicator when measurement of the indicator starts at the beginning of the year.

4.2.4 The **targets** describe the quantity or quality of the performance achieved in that objective and key performance indicator. In most cases, because the timeframe for achieving such a target is understood to be quarterly, semi-annually or annually, timeframes are not mentioned beyond these terms or columns.

4.2.5 The **weightings in %** show the importance of the key performance indicators and their targets relative to each other. They are crucial in computing the weighted average ratings at the end of period (quarterly, semi-annually, or annually). It is prudent to always work with an internal total weighting of 100% for each Scorecard (be it Part B, C, D or E).

4.5 The **Employee's** performance will, always, be measured in terms of contributions to the goals and strategies set out in the **Employer's** Integrated Development Plan and other sub-ordinate plans and projects that support the achievement of this IDP.

## **5 THE MUNICIPALITY'S PERFORMANCE MANAGEMENT SYSTEM**

5.1 At a sitting between the employer and the employee, held on .....to discuss and agree on this year's performance, the Employee herewith agrees to participate in the performance management system that the Employer has adopted as reflected in this entire Performance Agreement document and its annexures (Parts B, C, D and E) s, as applicable for the Employer, management, and all other municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system is to provide a comprehensive system with specific performance standards and targets to assist the Employer, Management and Municipal staff to perform to reach the standards required for each local government KPA.

5.3 The Employer will consult and support the Employee about all aspects required to achieve the specific performance standards that will be included in the performance management system as applicable to the Employee.

5.4 The Employee undertakes to actively focus towards the promotion and implementation of all the KPAs, objectives and KPIs (including special projects relevant to the employee's responsibilities) within the Local Government framework.

5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

- 5.5.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas, Objectives and Targets set in PARTS B, C, & D (when Part D is being measured) and the Competence Based Individual Development Plans (CBIDP in lieu of the usual PDP) based on prioritized Learning & Development Requirements (CCRs) respectively.
- 5.5.2 Each area of assessment (as per the four Parts described above) will be weighted and will contribute a specific part to the total score accordingly.
- 5.5.3 KPAs covering the main areas of work (PARTS B, C & D) will account for 80% and selected Developmental CRs (in the PART E – CBIDP) will account for 20% of the final assessment.
- 5.5.4 The total score must be determined using the rating calculator which will always be appropriately calibrated to accommodate all the three or four measurable scorecards and the weighting given to each KPI and target within each KPA as found in the four measurable scorecards, namely, Parts B, C, D and E. (This year Part D has been left out for introduction next year).
- 5.6 The Employee's assessment will be based on his / her performance in terms of the outputs / outcomes (measured through the performance indicators and their related targets) identified as per attached Performance Plan (PARTS B, C & D), which are collectively and distributively linked to all the 6 KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee. The weightings are set based, firstly, on this director's key job profiles which specify key activities / roles assigned to the incumbent as the director (HOD) of the department in their pursuit of each their own core KPAs, notwithstanding that this director, like all others must play supportive roles in the work done in other KPAs (signified by varying weighting each year).
- 5.7 The weightings shown below, while changeable to align with both the prevailing strategic and functional thrusts that this director must pursue, they must align with the average weighting per KPA assigned to each of the 80% Scorecards (Parts B and C combined). The Table below shows the weightings agreed for this current year for this director.

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	13.5%
Local Economic Development	6%
Municipal Financial Viability and Management	37%



Key Performance Areas (KPA's)	Weighting
Institutional Transformation and Organisational Development	7%
Spatial Planning and Environmental Development	32%
<b>Total</b>	<b>100%</b>

5.7 In the case of managers / directors directly accountable to the Municipal Manager, the weighting of the key performance areas related to the strategic and functional area of the relevant Manager, will always be subject to negotiation between the Municipal Manager and the relevant manager / director. These agreed weightings must be translated to the top of each KPA in the actual Plan templates (PARTS B, C & D).

5.8 The developmental Competency Requirements (CR) (learning requirements in the CBIDP) will make up part of the other 20% of the Employee's assessment score. CRs 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 CRs are compulsory for Municipal Managers. These Leading CRs make PART C – Generic / Core Managerial Competences (which are common to every Director / Senior Manager as agreed. A selection of Optional Core Competencies is selected each year and will form part of the Antecedent Input Behaviours (as explained earlier).

5.9 In this year's Performance Agreement, all of the critical and desired competency requirements have mostly been taken care of through Part C built largely on the directors' Job Profiles, which, coming from COGTA have already selected which of the CRs are important. So the table below is only a guide not a prescription for the KPIs and targets set out in Part C.

<b>CORE COMPETENCY REQUIREMENTS (CCRs) FOR EMPLOYEES – Same Weighting for executives and managers at the same level</b>		
<b>LEADING COMPETENCIES</b>	✓	<b>WEIGHT</b>
Strategic Direction and Leadership	✓	10%
People Management	✓	10%
Program and Project Management	✓	10%
Financial Management	✓	10%
Change Leadership	✓	10%
Governance Leadership	✓	10%
<b>CORE COMPETENCIES</b>		
Moral Competence	✓	6%
Planning and Organising	✓	6%

<b>CORE COMPETENCY REQUIREMENTS (CCRs) FOR EMPLOYEES – Same Weighting for executives and managers at the same level</b>		
<b>LEADING COMPETENCIES</b>	<b>√</b>	<b>WEIGHT</b>
Analysis and Innovation	√	8%
Knowledge and Information Management	√	6%
Communication	√	8%
Results and Quality Focus	√	6%
<b>Total percentage</b>	-	<b>100%</b>

## 6. EVALUATING PERFORMANCE

6.1 The Performance Plan Scorecards (Parts B, C and D) to this Agreement each set out -

6.1.1 the standards and procedures for evaluating the Employee's performance; and

6.1.2 the intervals for the evaluation of the Employee's performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition, review the Employee's performance at any stage while the contract of employment remains in force, subject to sufficient notice and reasons for justifying the variation being given to the employee.

6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Competence-Based Individual Development Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

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 and subordinate TL SDBIP and Departmental SDBIP and operational plans.

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 targets set for each key performance indicator (KPI) 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 target first and then aggregated 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 weighted average rating for each KPA score.

#### **6.5.2 Assessment of the Competency Requirements**

- (a) Each Competency Requirement should be assessed according to the extent to which the specified standards (based on the standard being treated as a KPI and calibrated targets set, agreed and subsequently met).
- (b) An indicative rating on the five-point scale should be provided for each selected CR based on set KPIs and related targets.
- (c) This rating should be multiplied by the weighting given to each selected CR 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 CR 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 calibration of all set targets in each section / PART of the Performance agreement as well as the subsequent assessment of the performance attained by the Employee for each target will be based on the following rating scale for KPA's and the selected Competence Requirements (CRs) as reflected Part C taking from the Directors' Job Profiles which in turn have drawn them from the following CRs.

6.7 Below is the local government municipal regulations rating scale that each municipality has adopted.

Performance Agreement – Part A: Financial Services Director, 2022/23

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					

Level	Terminology	Description	Rating				
			1	2	3	4	5
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

6.7 For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established moderate the ratings first agreed between the Employee – i.e. the MM and their supervisor (Executive Mayor)-

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 of 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 purposes of evaluating the annual performance of Managers directly accountable to the Municipal Managers, an evaluation panel constituted of the following persons must be established;

6.8.1 The 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 of Municipality, another member of Council; and

6.8.4 another 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 (6.7) and (6.8).

## 7. SCHEDULE FOR PERFORMANCE REVIEWS

- 7.1 Before the on-set of the Performance Management Cycle, all targets in PARTS B, C, and D must be calibrated against the rating scale of 1 – 5 in order to minimize common subjectivity that occurs when assessments are done during appraisal time.
- 7.2 The performance of each Employee in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

**First quarter:** July – September..... Period Review Report Concluded on.....  
**Second quarter :** October – December .....Period Review Report Concluded on.....  
**Third quarter:** January – March..... Period Review Report Concluded on.....  
**Fourth quarter:** April – June..... Period Review Report Concluded on.....

- 7.2 During these review sessions, targets are scored or rated, the targets may also be renegotiated and adjusted in re-alignment to the available budgets and other prevailing environmental conditions as necessary. The Employer shall keep a record of the mid-year review and annual assessment meetings and scores for cumulative averaging at the end of each year as provided by the policy.
- 7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance done in mutual agreement with the employee.
- 7.4 The Employer will be entitled to review and make reasonable changes to the provisions of all PARTS "B, C & D & E" from time to time for operational reasons. The Employee will be fully consulted before any such change is made.
- 7.5 The Employer may amend the provisions of PARTS B, C, and D & E whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the Employee will be fully consulted and ideally be in agreement before any such change is made. Both parties will sign-off any amendments made as such agreements are legally binding on both parties.

## 8. DEVELOPMENTAL REQUIREMENTS

The Competence-Based Individual Development Plan (CBIDP) in lieu of the normal Personal Development Plan (PDP) for addressing developmental gaps is attached as Part E as annexed.

## **9. OBLIGATIONS OF THE EMPLOYER**

### **9.1 The Employer shall –**

- 9.1.1 create an enabling environment to facilitate effective performance by the employee.**
- 9.1.2 provide access to skills development and capacity building opportunities.**
- 9.1.3 work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.**
- 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 Employer and / or Employee's delegated powers will have amongst others, a direct effect on the performance of any of the Employee's key functions, in particular;**
  - 10.1.1 at the initial agreement of this document called the Performance Agreement (Parts A, B, C, D and E), it is envisaged that consultative discussions will be held and that the final signed off agreement will be signed for each part to signify that there was discussion and consensus for each part of this agreement. It is envisaged that the employee will prepare and present to the Employer a draft Performance Agreement (in all its agreed Parts showing calibrated targets for each scorecard) for discussion at a timely agreed date and time. Once agreed, dated and signed by both parties, the Performance Agreement is deemed to be legally binding to both parties, such that no party shall vary any part of it without consultation and agreement with the other Party.**
  - 10.1.2 at every performance appraisal / review session (quarterly in line with the municipal performance regulations, unless agreed otherwise within the municipality's Performance Management policy),**

the Employee shall present their own self rating scores and reasons for discussion and comparing notes with the Employer (who will also have already scored the employee independently prior to the meeting). In this meeting notes are being compared, agreements on performance levels to be maintained, or improved agreed with clear additional support for the employee being agreed. Such support will include necessary coaching and mentoring, training and development arrangement. It is at these formal review / appraisal sessions that any targets may be adjusted, in writing and all changes co-signed against this initial agreement by both parties indicating reasons for such a change.

10.1.3 continuously commit the Employee to implement or to give effect to a decision made by the Employer that affect and are affected by this agreement;

10.1.4 continuously commit the Employer to render all necessary support (resources, emotional, intellectual and physical) as may be reasonably needed by the employee to optimally perform what has been agreed in this Performance Agreement; and

10.1.5 that has a substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of any outcome of any decisions taken outside the consultation with the employee, with regards to the implementation of this Performance Agreement pursuant to the exercise of powers contemplated in 10.1 above as soon as is practicable, as part of the Employer's coaching roles in order to enable the Employee to take any necessary action without delay. It is envisaged that such decisions will be rare and mostly coming from outside the municipal administration sphere like council, COGTA, National Treasury, SALGA etc.

## 11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The final evaluation of the Employee's performance will be conclusively pronounced by the selected panel as envisaged in section 27 (d) of the Performance Regulation, also recapped in sub-sections 6.7 and 6.8 in this document above. The panel will perform a moderating role on all signed performance appraisal reports of each review session held and agreed between the Employer and Employee in the course of the year. For administrative fairness, both the Employer and the Employee should always be present or at least represented to clarify any issues that the panel may wish to have clarified.

11.2 Based on the final scores / ratings presented to and confirmed by the panel, a performance bonus of between 5% to 14% of the total remuneration package **may be paid to the Employee (subject to the policy and the resources available to the municipality as stated in the Systems Act)** in recognition



## Performance Agreement – Part A: Financial Services Director, 2022/23

of outstanding performance that the municipality wishes to sustain and also in line with the provisions of the municipal performance management regulations. Such reward will be constituted as follows:

- 11.2.1 a rating of 4 out of the 5 point rating scale is given a score of between 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
- 11.2.2 a rating of 5 out of the 5 point rating scale is given a score of between 150% and above is awarded a performance bonus ranging from 10% to 14%.

**N.B.:** It should be noted that the rating process (against the 5 point scale) must always happen first before the use of the percentage equivalents ranging from 70% - 166%+ because not all targets can be calibrated up to 166%+, so it is better to rate first on the numbers and use the % as qualifiers as shown below.

11.3 In the case of unacceptable performance, the Employer shall –

- 11.3.1 On confirming performance shortfalls, immediately provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- 11.3.2 After appropriate performance counselling 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.

## 12.0 MANAGEMENT OF EVALUATION OUTCOMES

12.1 The evaluation of the Employee's performance shall form the basis for rewarding outstanding and excellent performance only (ratings 4 and 5) or correcting unacceptable performance (Ratings 2 and below) as reflected in the table below –

<b>Rating (out of the 5 point scale)</b>	<b>% Score (for those instances where performance is meaningfully stretchable beyond 100%)</b>	<b>Equivalent on a Usual 100% Maximum (where performance can never be meaningfully calibrated beyond 100%)</b>	<b>% of annual package payable as a performance Bonus</b>
4.00 - 4.19	130.0% - 133.8%	(65.0% - 66.9%)	5%
4.20 – 4.39	134.0% – 137.8%	(67.0% - 68.9%)	6%

4.40 – 4.59	138.0% - 141.8%	(69.0% - 70.9%)	7%
4.60 – 4.79	142.0% - 145.8%	(71.0% - 72.9%)	8%
4.80 – 4.99	146.0% - 149.8%	(73.0% - 74.9%)	9%
5.00 – 5.19	150.0% - 152.8%	(75.0% - 76.4%)	10%
5.20 – 5.39	153.0% - 155.8%	(76.5% - 77.9%)	11%
5.40 – 5.59	156.0% - 158.8%	(78.0% - 79.4%)	12%
5.60 – 5.79	159.0% - 161.8%	(79.5% - 80.9%)	13%
5.80 – 5.99	162% - 164.8% +	(81.0% - 82.4%) +	14%

12.1.1 At the end of the 4<sup>th</sup> quarter, the Executive Authority will determine, based on the final panel ratings based on the rating / scoring table above, if the s56 / s57 Director / manager is eligible for a performance bonus as envisaged in his/her contract of employment based on the bonus allocations shown in the table above.

12.2 In the case of unacceptable performance, the Employer shall -

12.2.1 Provide systematic remedial or developmental support to assist with **Employee** to improve his or her performance; and

12.2.2 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 firstly shift the employee to another position within the municipality (if possible). If that does not help, then and only then will the Employer invoke procedures to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to competently perform out his or her duties.

12.2.3 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Director's contract of employment with or without notice for any other breach by the Director of his obligations to the Municipality or for any other valid reason in line with fair labour practice and law.

### 13 MERITS AWARDS

13.1.1 Merit awards for Section 56 employees are determined by performance against targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit increase. The merit increase is calculated as a percentage of the total annual package of the employee, as indicated in the table hereunder.

Score / 200	Merit
130 to 141 (65%-70%)	1% of total package
142 to 149 (71% - 74%)	2% of total package
150 to 161 (75%-80%)	3% of total package

162 to 165 (81 – 82%)	4% of total package
166+ (83% +)	5% of total package

13.1.2 Merit awards are subject to policy and Budgetary provisions made on an annual basis the merit bonuses may be paid as a 'once off' payment or at agreed quarterly intervals i.e. over a number of months.

#### 14 DISPUTE RESOLUTION

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

14.1.1 The MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or

14.1.2 Any other person appointed by the MEC.

14.1.3 In the case of Managers directly accountable to the Municipal Manager, a member of the Municipal Council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee.

14.2.1 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

#### 15. GENERAL

15.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.

15.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

15.3 The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for Local Government in the relevant province as well as the National Minister responsible for Local Government, within fourteen (14) days after the conclusion of the assessment.

Performance Agreement – Part A: Financial Services Director, 2022/23

16. The signatures below signify that the Employer and the Employee have discussed and agree on every detail contained and implied in this Part A of the Performance Agreement.

Thus done and signed at .....on this the..... day of ..... 2022.

**AS WITNESSES:**

1. \_\_\_\_\_

K Fourie  
**EMPLOYEE (CFO)**

2. \_\_\_\_\_

**AS WITNESSES:**

1. \_\_\_\_\_

\_\_\_\_\_  
**MUNICIPAL MANAGER**

2. \_\_\_\_\_

SENQU LM PERFORMANCE AGREEMENT PART B - WHOLE MUNICIPAL / INSTITUTIONAL LEADERSHIP MANAGERIAL SCORECARD 2022/23

Name of Director / Incumbent: Kenneth Fourie

ID of Incumbent:

Title of Incumbent : CFO

Period of Scorecard Coverage: 1st July, 2022 - 30th June 2023

WEIGHT OF PART B = 80% of ENTIRE 3 PART SCORECARDS OF THE PERFORMANCE AGREEMENT:

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (WEIGHTING = 18%)															
TL SDBIP KPI NUMBER and / or ILM JOB PROFILE	PRIORITY/FOCUS AREA	OUTCOME	Individual Strategic Actions	Individual Key Performance Indicators (based on outcomes, strategic actions and outputs)	KPI Weighting in %	Individual KPI Baseline (as at June 2022)	Individual Annual Target	Any Additional Resources	QUARTERLY TARGETS				AUDITED EVIDENCE		
									QTR 1	QTR 2	QTR 3	QTR 4	Evidence	Means of Evidence Verification	
Strategic Financial Planning		High Municipal Service Delivery Excellence Culture	Develop, review and revise all budget related Strategies in respect of their contribution to business performance and benefits to the business.	% / Proportion of BTO Strategy and plans approved on time	3%	new	1. = strategy and plan finalised 7 days after the due date 2 = strategy and plan finalised 3 days after the due date 3 = strategy and plan finalised received on time		not target for this quarter	not target for this quarter	not target for this quarter	1. = < inputs received 7 days after the due date 2 = inputs received 3 days after the due date 3 = strategy and plan finalised received on time; 4 = strategy and plan	Strategy Adopted by Council	Council or SEM Approval	Manager BTO
		Finance underpinned and aligned municipal frameworks	Develop and position finance as a strategic imperative in all municipal plans. Critically evaluate and advise on all decisions of the Municipality through a financial lens	% of people's service delivery needs allocated funds	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+		not target for this quarter	not target for this quarter	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	Budget allocation and expenditure Analysis Reports	Quarterly Audits of People's Issues achieved.	All Directors IA
Leadership of Basic Service Delivery and Infrastructure	SERVICE DELIVERY	Funded municipal mandates that yield a high municipal Service Delivery Excellence Culture	Ensure that all outcomes indicator based IDP and TL SDBIP plans that focus on attention on people's cries; track and reduce suffering from lack of services are funded (pro-poor budget)	% of Strategic Session resolutions allocated funds	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+		1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	Budget allocation and expenditure Analysis Reports	Quarterly Audits of People's Issues achieved.	All Directors IA
			Ensure the compilation of the Annual Budget by 31 May 2022 and Adjustment Budget by 28 February 2022	% level of annual budget finalised and adopted by 30 May 2023	4%	new	1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without correctons					1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without correctons	1. Council Resolution considering the adjusted budget, 2. Resolution of the Budget Steering Committee	Audited Reports	All Directors

Service Delivery related Infrastructure Investment		% level of adjustment budget finalised and adopted by 28 February 2023	4%	new	1 = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without correctons			1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without correctons		1. Council Resolution considering the final budget, 2. Resolution of the Budget Steering Committee	Audited Reports	All Directors
	Champion Infrastructure Driven Investment partnerships	% new external innovative initiatives such as PPP Treasury approvals are sought	1%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	not for reporting this quarter	not for reporting this quarter	not for reporting this quarter	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	MM's Partnerships on Infrastructure Investments Initiative applications submitted to National Treasury	Acknowledgement letter by National Treasury	Co-signed by Partners engaged with CFO and Technical Directors
<b>Sub-Total Weighting for this KPA</b>			<b>18%</b>									

KPA 2: LOCAL ECONOMIC DEVELOPMENT (WEIGHTING = 6%)															
TL SDBIP KPI NUMBER	Priority /	OUTCOME	Individual Strategic Actions	Individual Key Performance Indicators (based on outcomes, strategic actions and outputs)	Weighting in %	Individual KPI Baseline (as at June 2022)	Individual Annual Target	Additional Resources Needed	TARGETS				AUDITED EVIDENCE		Supporting Director
									QTR 1	QTR 2	QTR 3		Evidence	Means of Evidence Verification	
LED 02 - 04	Job Creation and reduced unemployment	A municipally managing community poverty down	Strive to Maintain / increase EPWP work opportunities within the Technical Services and Community Services department; report on number new job opportunities created even through capital projects	% funding of EPWP work Opportunities	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+		not target for this quarter	not target for this quarter	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	Audited EPWP Reports	Co-signed by MM, COGTA and Auditors	Community and Technical Services Directors
LED 02 - 05		Empowered SMMEs	Ensure this policy is implemented fairly and justly	% of the municipal capital projects in excess of of R6 million, allocated to SMMEs through sub-contracting at quarterly counts	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+		not target for this quarter	not target for this quarter	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	Audited Capital Budget Sub-contracts	Audits to confirm signed by SMMEs	Manager BTO and Technical Services Director
<b>WEIGHTING IN %</b>					<b>6%</b>										

KPA 3: FINANCIAL VIABILITY & MANAGEMENT (WEIGHTING = 37%)

TL SDBIP KPI NUMBER and / or MM JOB PROFILE	Priority / Focus Area	OUTCOME	Individual Strategic Actions	Individual Key Performance Indicators (based on outcomes, strategic actions and outputs)	Weighting In %	Individual KPI Baseline (as at June 2022)	Individual Annual Target	Additional Resources Required	QUARTERLY TARGETS				AUDITED EVIDENCE		Supporting Director
									QTR 1	QTR 2	QTR 3	QTR 4	Evidence	Means of Evidence Verification	
Financial Leadership	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFW01	Smooth, speed and efficient running of outsourced municipal services and products	Oversee plans to reduce unnecessary outsourcing of good and service and delays in the procurement processes; Randomly sample running contracts to ensure full compliance; act swiftly where irregularities appear.	Availability of Approved Sourcing/Procurement strategy	4%	new	1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without			1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without correctons		Approved Sourcing Strategy	Council or SEM Approval	SCM Managers (Demand & Acquisition); other directors as line project directors	
MFW01-01		Smooth, speedy and efficient running of outsourced municipal services and products	vet to reduce unnecessary outsourcing of good and services where possible; ensure all staff called for BID service duty take it like national service call to minimise costly delays; ensure supplier database is constantly cleaned and updated leaving the best service providers; Randomly sample running contracts to ensure full compliance; act swiftly where irregularities appear.	% of projects awarded as per the approved procurement plan	3%	new	Implementation compliance to approved plan per quarter 1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+		Implementation compliance to approved plan per quarter 1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	Implementation compliance to approved plan per quarter 1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	SCM Audited and Project Manager Reports	Project Director - co-Sign-off	CFO as SCM Managers (Demand and Acquisition); other directors as line project directors		
MFW01-01		Cost-effective procurement and implementation of services and products	enforce compliant value for -money service appointments. Apply corrective measures to the SCM Unit	% reduction in tenders which collapse due to SCM errors	2%	new	1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%		1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%	1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%	1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%	SCM Audited Reports	Auditor Sign-off	SCM Managers	
			% reduction in tenders which collapse due to Bid Committes that fail to conclude their business on time	2%	new	1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%		1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%	1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%	1 = < 7% 2 = 7% - 9,9% 3 = 10% - 12,9% 4 = 13% - 14,9% 5 = 15%	BID Committee Meeting Invites against minutes and resolution dates	BID committee Char sign-off	SCM Managers		

FINANCIAL MANAGEMENT - MPWYS: 01-04		To expand and protect the municipal revenue base by providing accurate bills for services rendered				
Budget Expenditure Deviations		Compliance to financial Legislation and Controls				
Municipal Financial Viability and Management Ratios	Municipal Financial Viability and Asset Count					
Financially sustainable municipality	Keep track on budget income & expenditure changes; apply corrective advice to all other directors / Assigned Budget Officers. Increase and update Valuations as a revenue base	Annual Grant Revenue Growth Rate (reckoned quarterly based on comparisons of revenue at similar periods in the last year (under COVID conditions)	1% new 1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%
	% increase of municipal non-grant revenue against previous comparable time last financial year	2% new	1 = < 3.5% 2 = 3.5% - 4.95% 3 = 5% - 6.45% 4 = 6.45% - 7.45% 5 = 15%	1 = < 3.5% 2 = 3.5% - 4.95% 3 = 5% - 6.45% 4 = 6.45% - 7.45% 5 = 15%	1 = < 3.5% 2 = 3.5% - 4.95% 3 = 5% - 6.45% 4 = 6.45% - 7.45% 5 = 15%	1 = < 3.5% 2 = 3.5% - 4.95% 3 = 5% - 6.45% 4 = 6.45% - 7.45% 5 = 15%
	% of Collection Rate Increases for comparable periods last year	2% new	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%
	% of correct billing for comparable periods last year	3% new	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%	1 = < -2% 2 = -1% - -2% 3 = 0% - 0.5% 4 = 0.6% - 1.0% 5 = > 1%
	% increase in Property Values due to updated and more extensive supplementary valuations	2% new	1=<2.1% increase 2 = 2.1% - 2.97% 3 = 3.0% - 3.57% 4 = 3.58% - 4.47% 5 = 4.48% +	1=<2.1% increase 2 = 2.1% - 2.97% 3 = 3.0% - 3.57% 4 = 3.58% - 4.47% 5 = 4.48% +	1=<2.1% increase 2 = 2.1% - 2.97% 3 = 3.0% - 3.57% 4 = 3.58% - 4.47% 5 = 4.48% +	1=<2.1% increase 2 = 2.1% - 2.97% 3 = 3.0% - 3.57% 4 = 3.58% - 4.47% 5 = 4.48% +
	% budget Both CAPEX and OPEX) : expenditure deviations	2% new	1 = >5,77% 2 = 5,03% - 5,77% 3 = 3,87 - 5% 4 = 2,71% - 3,83% 5 = < 2,71%	1 = >5,77% 2 = 5,03% - 5,77% 3 = 3,87 - 5% 4 = 2,71% - 3,83% 5 = < 2,71%	1 = >5,77% 2 = 5,03% - 5,77% 3 = 3,87 - 5% 4 = 2,71% - 3,83% 5 = < 2,71%	1 = >5,77% 2 = 5,03% - 5,77% 3 = 3,87 - 5% 4 = 2,71% - 3,83% 5 = < 2,71%
Keep track of financial performance against NT required performance ratios	Number of Gazetted Financial Viability and Management Ratios achieved at NT recommended levels	1% new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+
Ensure that there is proper classification, recording, updating of assets and investment portfolio in accordance with the laid down policies and procedures.	% of municipal assets that that are reflected correctly in the asset register	4% new	1 = >49 % 2 = 49% - 40% 3 = 39% - 30% 4 = 29% - 20% 5 = <20%	1 = >49 % 2 = 49% - 40% 3 = 39% - 30% 4 = 29% - 20% 5 = <20%	1 = >49 % 2 = 49% - 40% 3 = 39% - 30% 4 = 29% - 20% 5 = <20%	1 = >49 % 2 = 49% - 40% 3 = 39% - 30% 4 = 29% - 20% 5 = <20%

Monthly, Quarterly and Annual Financial Statements	Audit Reviews / comments	all service delivery, revenue generating directors
Monthly and Quarterly Financial Statements	Internal and External Audit sign-offs as applicable	all directors
Monthly, Quarterly and Annual Financial Statements	Audit Reviews / comments	all service delivery, revenue generating directors
Monthly, Quarterly and Annual Financial Statements	Audit Reviews / comments	all service delivery, revenue manager
Quarterly Valuation Updates	Audited Valuation Reports	Revenue Manager
Audited Financial Statements	Auditor Sign-offs	all directors
Audited Financial Reports	Auditor Sign-off	Finance Managers and all directors
Departmental Asset Counts Stores Report submitted to the Standing Committee	Standing Committee submission	all directors



Grant Funding, including MIG Expenditure	Job Profile	Infrastructure focused and efficient municipality	Check and track MIG project implementation capacity, ensure Technical Director and CFO work together to increase efficient spend on MIG projects apply consequences to.	3%	% spend of available MIG funding against monthly and quarterly MIG Projects / Operational Plans	new	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	MIG Project Financial Reports	Audited Financial Statements Signed by MM	Technical Services Director
Grant Funding, including MIG Expenditure	Job Profile	Well managed grant funding	Track each grant funding to ensure it is spent against grant conditions) quality and quantity specifications and timeliness.	3%	% Grant spending compliance to all grant conditions	new	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	1= < 50% 2 = 60% - 77% 3 = 78% - 88% 4 = 90 - 95% 5 = 96%+	All Grant Expenditure		
		Level of municipal compliance with financial management (legislative requirement) s by each directorate	Track each deviation from regulation to establish cause; caution and warn those management decision consequence (management actions to correct errors and reward success.	3%	% decrease of used funds that fall into the UFW (Unauthorized, Irregular, Fruitless and wasteful) - i.e. (non-compliant spending) across the municipality	new	1= > 0 - 50 decrease 2 = 61 - 80% 3 = 81 - 90% 4 = 91 - 99% 5 = 100% decrease	1= > 0 - 50 decrease 2 = 61 - 80% 3 = 81 - 90% 4 = 91 - 99% 5 = 100% decrease	1= > 0 - 50 decrease 2 = 61 - 80% 3 = 81 - 90% 4 = 91 - 99% 5 = 100% decrease	1= > 0 - 50 decrease 2 = 61 - 80% 3 = 81 - 90% 4 = 91 - 99% 5 = 100% decrease	1= > 0 - 50 decrease 2 = 61 - 80% 3 = 81 - 90% 4 = 91 - 99% 5 = 100% decrease	Monthly and Quarterly Financial Statements	Internal and External Audit reports as applicable
				<b>WEIGHTING IN %</b>	<b>37%</b>								

KPA 4: INSTITUTIONAL TRANSFORMATION AND MUNICIPAL DEVELOPMENT (WEIGHTING = 7%)																
TL, SDBIP KPI NUMBER and / or MIN JOB PROFILE	KPI	OUTCOME	Individual Strategic	Individual Key	Weightings	Individual KPI	Individual Annual	Additional Resources Needed	QUARTERLY TARGETS				AUDITED EVIDENCE			
									QTR 1	QTR 2	QTR 3	QTR 4	Evidence	Means of Evidence Verification	Supporting Director	
	Institutional Agility - Change Readiness	Increased state of readiness to bounce back after institutional setbacks (like COVID, economic down turns, natural disaster)	Create a financial policy funding for newly developed disaster recovery / agility plans to be funded by the directorates / departments to ensure credible levels of change readiness.	Average % State of Change Readiness in departments and hence Municipality	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	??			1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 = 4 = 5		Change Readiness Survey Results backed up by Agility / Change Readiness plans and simulation reports	Sign-off by Service Provider and Organisational Development Manager	Survey administrator (Corporate Services) and Finance Divisional Mgrs.
	People Management	Stable Administration	Fund all approved Executive and other senior positions no later than 6 months following due processes	% of Acting Positions for periods longer than 6 months in the Finance Department due to unfunding of key prioritised posts	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	??	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 = 5		HRM Quarterly Reports confirmed by Director	Auditors sign-off	Corporate Services Director and Finance Divisional Mgrs.	
	Leading for Optimal Resource Utilisation	Non-wasteful (frugal) Municipal	Always push directors and their departmental employees to optimally utilise all resources	% savings on all resources reckoned every quarter	1%	new	1 = < 3% 2 = 3% - 4% 3 = 5% - 6% 4 = 7% - 8% 5 = > 8%	??	1 = < 3% 2 = 3% - 4% 3 = 5% - 6% 4 = 7% - 8% 5 = > 8%	1 = < 3% 2 = 3% - 4% 3 = 5% - 6% 4 = 7% - 8% 5 = > 8%	2 3 4 4		All Resource Utilisation Project and Departmental Operational Reports	Auditor Sign-off	Corporate Services Director and Finance Divisional Mgrs.	
<b>Sub-Total Weighting for this KPA</b>						<b>7%</b>										

KPA 6: SPATIAL PLANNING AND ENVIRONMENTAL DEVELOPMENT (WEIGHTING = 32%)

FOCUS AREA	OUTCOME	Individual Strategic	Individual Key	Weighting in the Whole		QUARTERLY TARGETS					AUDITED EVIDENCE		Means of Evidence Verification		
				Individual KPI	Additional	Annual Target	Additional	QTR 1	QTR 2	QTR 3	QTR 4	Evidence		Means of Evidence Verification	
TL SDIP KPI NUMBER															
GP03-05	Financially aware and driven municipal organisation where all listed do as required, within MM's & CFO Authority. Record & roll call every resolution by reference	Ensure all structures listed do as required, within MM's & CFO Authority. Record & roll call every resolution by reference	% of Overall Council Financial Resolutions implemented on time as intended per quarter	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 5	Resolution Register	Signature by Council witnessed by Responsible Director / Mgr	Director Corporate Services		
			% of Combined ARC, MPAC, Top Mgt, and Senior Executive Mgt Resolutions financially analysed and thereafter implemented on time as intended per quarter	2%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 5	Resolution Register	Signature by ARC Chair witnessed by Responsible Director / Mgr	CAE		
	A safer / more secure municipal operating environment	Fast track the project conclusion and / or start generating some credible interim IT security audit finding reports that show	cumulative % of maintenance, monitoring and management of IT systems	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 5	IT Master Plan and Reports		CFO and ICT Manager (responsible for IT)		
	ICT Implementation		% of ICT projects and planned milestones achieved across the municipality (ICT Systems and Applications Monitoring)	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 5	IT Master Plan and Reports	Audited Masterplan and Operational plans	IT Manager		
			% 8 ICT Strategic Plan priorities which will address aging ICT infrastructure and outdated licensing, power outages, incompatible sub-system and limited financial resources implemented	4%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 5	ICT Report to the Standing Committee	Sign-off by Manager Governance	CFO (as in charge of ICT)		
			% of system downtime resolved within the stipulated time in any given quarter	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2 3 4 5	IT Security Audit	Sign-off by Manager Governance	CFO (as in charge of ICT)		

				& ICT Steering Committee Resolutions Implemented	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	IT Resolution Register signed off by the ICT Steering Committee	IT Resolution Register signed off by the ICT Steering Committee	CFO (as in charge of ICT)
	Deepening Municipal Democracy	Deepened democracy in municipality and its communities	Increase public participation in the IDP Review and budget processes	% levels of community public participation in IDP, Budget and By-law processes	3%	new	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	2	1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 89% 5 = 90%+	Recordings of IDP and Budget Review Meetings; Attendance Registers and decision registers	Ward Councilor or other politician leaders verification signature	Director Strategy and IDP Manager
	Monitoring and Evaluation Financial Reporting	Transparency and accountable governance	Increase the production of credible financial quarterly reports, semi-annual and annual reports based on credible financial management from Ensure that every financial report is submitted as and when due to the correct destination	% accuracy of financial reports submitted for approval	2%	new	1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without corrections	1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without corrections	2	1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without corrections	2	1. = < not even a draft available 2 = First draft available but not yet approved 3 = submitted for approval on last due date; 4 = submitted before due date and approved with minor corrections to be suggested; 5 = submitted on time & approved without corrections	Quarterly, semi-annual and annual financial reports.	Audited Reports Signed - off by respective directors.	all directors and CAE	

	Audit Options	Accountable and clean municipal administration	Ensure all directors keep all their auditable information up to speed at all times; ensure every director's hands in all documents required by any level of auditors; apply consequence management w/ to compliance or non-compliance to audit requests	3%	new							1 = Disclaim 2 = Qualified 3 = Unqualified by with factors of emphasis 4 = Unqualified 5 = Clean		Audits and financial reports as required by law	Signature by ARC Chair witnessed by Responsible Director / Mgr	all directors and CAE
	Support of Poor / Indigent Household	Pro-poor financial support of communities	Working with Community Services when listing indigents	1%	new							1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 85% 5 = 90%+	Basic Service Delivery Financing Reports	Audited Reports Signed - off by respective directors.	Community Services Director	
			% of households who access to basic services									1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 85% 5 = 90%+	Reports on poor / indigent households funded	Audited indigent reports	Community Services Director	
			% of households who earn 2 000 rand per month who actually receive due financial support for basic services (indigent Report) verified through CAAT automated verification system to ensure indigent register is accurate.	2%	new							1 = < 42% 2 = 42% - 59% 3 = 60% - 77% 4 = 78% - 85% 5 = 90%+				
				<b>Sub-Total Weighting for this KPA</b>	<b>32%</b>											
				<b>GRAND TOTAL</b>	<b>100%</b>											

Employee Name: Kenneth Fourie  
Employer Name: MM YAWA  
Employee Signature: K Fourie  
Employer / Supervisor's Signature:  
Date of Signing:  
Date of Signing:

CFO Part E

**PART E: COMPETENCE –BASED INDIVIDUAL DEVELOPMENT PLAN – WEIGHTING OF 20 %**

This Part of the Performance Agreement is about the development of the employee. Development here has been divided into three aspects in order to meet all the employee work and personal development needs as provided for by the Skills development legislation of South Africa. The focus is on ensuring every employee develops and grows every year since job demands and the broader environment is constantly changing.

The competence development in this Part E has been made measurable to stop the habit of employees always listing competence areas which they have no intention of pursuing and accomplishing. Alternately, even after they go all the way to accomplish these competences, the organisation seems to be oblivious of this accomplishment. Further, because inconsequential prioritisation given to this aspect of Individual Development Plans (IDPs) managers will often take staff of their planned development routes already agreed and co-signed by both parties at will. This Part E is meant to change that culture, shifting the acquisition to be as important an performance achievement as achieving any other targets.

A previous skills audit against competence area agreed between the employee and his/her manager is assumed. If there has been no formal skills audit done, anecdotal self and manager performance-based audits will have to be used to initiate the process of finding meaningful baselines).

**The following assumptions are important to fulfil, namely;**

1. For the employee's Manager to:
  - o Provide all resources (time, money, transport etc.) to afford the employee the desired development.
  - o To subsequently look out for new work challenges that will use as much of the employee's new competences
  - o To ensure that the competences desired and pursued by all employees in her / his Business unit comply with the municipal Workplace Skills Development Plan (WSP)
  - o To ensure that this Part E is appropriately scored and corrective action taken just like all other sections of the Performance Scorecard. Similarly that it is given the due weighting in calculating the overall performance rating of the employee.
2. For the employee to:
  - o Complete all agreed training and development to the required competence levels
  - o Push for and enjoy implementing the newly acquired competences rather than let them die off
  - o Ensure that they take the planning and scoring of this Part E of the Scorecard as seriously as all other parts or else suffer the pain of being rated lowly in this area.

**3. Below is the rating scale used to determine and calibrate competence targets**

<p>The rating scale here is based on the same tool used for Executive Performance Assessments which every year has: C-1 = Competence Level = Basic (i.e. below what employee needs to do for his own work) 2 = Competence level = Competent, that is just enough for employee to perform own tasks well 3 = Competence Level = Good (i.e. above what employee needs to do for his own work) 4 = Competence level = Outstanding / Excellent, beyond just own job provide work. Final Performance Rating / Rating at Year End Did not even start process = Rating of 1 Below Basic = Rating score of 2 Competent Level = Rating score 3 Advanced Level = Rating Score Superior Level = Rating Score 5</p>
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Name of Employee: Kenneth Fourie  
 Current Job Role / Title: Director Financial Services  
 Name of Cluster / Department Where Employed: Community Services  
 Period Covered by this Part B of the Employee's Performance Plan: 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June 2023

Section 1: Job Specific Personal Development - 0% of Part E for this financial year (unless agreed to by HRM it is deemed there is a job competence gap. For one take it as MA. This section would be added to Director's Core Functions in Part B of the Scorecard).										
Number and Name of Identified Competence	Weighting of the KPI / Competence	Baseline (Current Competence Profile level e.g. Basic)	Targeted Competence Level (Tick one of these two possible C levels)		Budget to achieve this competence	Method to be used to acquire this competence	Means of Evidence Verification (MOVs)	Assessment of Competence Achievement / Individual Dev Levels Attained		
			Competent	Advanced				Planned Target	Actual	Deviation
1. Admin Eval										
2. MA										
3. MA										
<b>Sub-Total</b>	<b>0%</b>	<b>Average of Competence level in selected areas = ??</b>	<b>Average Targeted Competence level in selected = ??</b>	<b>??</b>	<b>??</b>	<b>Most Preferred Methods =</b>	<b>Most preferred MOVs =</b>	<b>Average Planned Target = C7</b>	<b>Average for this Section =</b>	<b>Average Rating Score for this Section of Part E =</b>
<b>Section 2: General Managerial / Employee Personal Development - 100% of Part E for Year 2022/23 (these are related to Director's Core Functions in Part B of the Scorecard - Taken from the Psychometric Assessment Report)</b>										
Number and Name of Identified Competence	Weighting of the KPI / Competence	Baseline (Current Competence Profile level e.g. Basic)	Targeted Competence Level (Tick one of these two possible C levels)		Budget to achieve this competence	Method to be used to acquire this competence	Means of Evidence Verification (MOVs)	Assessment of Competence Achievement / Individual Dev Levels Attained		
			Competent	Advanced				Planned Target	Actual	Deviation from target (reflected at financial year end)
2.1 Strategic Direction and Leadership	33.33%	Competent	Advanced	??	coaching, formal blended self-education with a service provider	Most preferred MOVs = Certification by the same Accredited Psychometric Service Providers	Advanced	Competent		
2.2 Change Management	33.33%	Basic	Competent Level	??	coaching, formal blended self-education with a service provider	Certified by the Accredited Psychometric Service Provider	Competent	Basic		
2.3 People Management	33.33%	Basic	Competent Level	??	coaching, formal blended self-education with a service provider	Certified by the Accredited Psychometric Service Provider	Competent	Basic		
Sub-Total Section 2	100%	Average of Selected Managerial Competences levels = Basic	Average of Selected Managerial Targeted Competences levels =	??	Most Preferred Methods = online or blended learning	Most preferred MOVs = Re-blended learning	Average Planned Target = Competent	Average for Actuals in this Section = Basic	Average deviation for this Section =	Average Rating Score for Section 2 of Part E =
<b>GRAND TOTAL (Sections 1 &amp; 2)</b>	<b>100%</b>	Average of Selected Managerial Competences levels = Basic	Total of Selected Managerial Targeted Competences levels = Competent	??	Most Preferred Methods = online or blended learning	Most preferred MOVs = Re-blended learning	Average Planned Target = Competent	Average for Actuals in Section 2 = Basic	Average for Section 2 =	Average Rating Score for Section 2 of Part E =

Employee's Name: Kenneth Fourie      Employee Signature: K.Fourie      Date of Signing:

Supervising Manager's Name and Title: MM Yawa Municipal Manag. Supervisors Signature      Date of Signing:

Corporate Services Performance Mgt Unit Witness's Name (Representing Performance Mgt Office): HV Mazli      Witness's Signature      Date of Signing