



# **GA-SEGONYANA LOCAL MUNICIPALITY**

PERFORMANCE  
AGREEMENT  
2018-2019

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AS PRESENTED BY

**Martin Tsatsimpe**

(In his capacity as the Municipal Manager of GA-SEGONYANA LOCAL MUNICIPALITY)

(The client for the purpose of this agreement)

AND

**Kagiso Noke**

Chief Financial Officer of GA-SEGONYANA LOCAL MUNICIPALITY

(The Employee for the purpose of this agreement)

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ENTERED INTO BY AND BETWEEN:

GA-SEGONYANA LOCAL MUNICIPALITY herein represented by **Martin Tsatsimpe** ID No, **780405 5422 081** in his capacity as the **Municipal Manager** of GA-SEGONYANA MUNICIPALITY (hereinafter referred to as the employee).

AND

**BS Noke** ID No, **820514 5673 080** in his capacity as the Chief Financial Officer an Employee of GA-SEGONYANA MUNICIPALITY (hereinafter referred to as the employee).

**WHEREBY IT IS AGREED AS FOLLOWS:**

## 1. INTRODUCTION

The Client 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 Client and the Employee are hereinafter referred to as "the Parties".

Section 57(1) (b) of the Systems Act. Read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement. The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals. The parties wish to ensure that there is compliance with sections 57(4A), 57(4B) and 57(5) of the Systems Act.

## 2. PURPOSE OF THIS AGREEMENT

The purpose of this agreement is to –

- ✓ Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- ✓ Specify objectives and targets established for the Employee and to communicate to the Employee the Client's expectations of the Employee's performance expectations and accountabilities; Specify accountabilities as set out in the Performance Plan (Annexure B);
- ✓ Monitor and measure performance against set targeted outputs;
- ✓ Use the Performance Agreement and Performance Plan as the only basis for assessing whether the employee has met the performance expectation applicable to his;
- ✓ Appropriately reward the Employee in accordance with the client's performance management system in the event of outstanding performance: and
- ✓ Give effect to the client's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

### 3. COMMENCEMENT AND DURATION

- 3.1 Notwithstanding the date of signature thereof. This agreement and the date of signature shall commence and shall in all respect be deemed to have commenced, with effect from **1 July 2018** and will remain in force until **30 June 2019** where after a new Performance Agreement, Performance 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 each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Client'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 to (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.

### 4. PERFORMANCE OBJECTIVES

The performance objectives and targets that must be met by the Employees; and

- ✓ The time frames within which those performance objectives and targets must be met
- ✓ The performance objectives and targets reflected in Annexure B are set by the Client in consultation with the Employees and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan of the Client, and shall include key objectives; key performance indicators; target dates and weightings.

### 5. PERFORMANCE MANAGEMENT SYSTEM

5.1. The Employee agrees to participate in the performance management system that the Municipality adopts or introduces for the Employer, management and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Client, management and municipal staff to perform to the standards required.

5.3. The Employer must consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

### 6. PERFORMANCE MANAGEMENT

The Employee agrees to participate in the Performance Management System that the Client adopts.

- ✓ The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (KPA's) (Including special projects relevant to the employee's responsibilities) within the Local Government Framework.
- ✓ 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.
- ✓ The Employee must be assessed against both components, with a weighting of 8:20 allocated to KPA and the Core Managerial Competencies [CMCs] respectively.
- ✓ Each area of assessment will be weighted and will contribute a pro rata to the total score.
- ✓ KPA's covering the main areas of work will account 80% and CMC's will account for 20% of the final assessment.

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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 (Annexure B) which are linked to the KPA's and will constitute 80% of the overall assessment result as per the weightings agreed to between the Client and Employee:

Key Performance Areas	Weighting
Institutional Transformation and Organisational Development	10%
Basic Service Delivery and Development	10%
Financial Management	60%
Local Economic Development	10%
Good Governance and Public Participation	10%
Total	100%

The CMCs will make up the other 20% of the Employee's assessment score. CMCs 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 Client and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	√ (Indicate choice)	Weight
<b>Core Managerial Competencies:</b>		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	Compulsory	50%
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	5%
Client Orientation and Customer Focus	Compulsory	5%
Communication		
Honesty and Integrity		
<b>Core Occupational Competencies:</b>		
Competence in Self-Management		5%
Interpretation of and implementation within the legislative and national policy frameworks		5%
Knowledge of developmental local government		2%
Knowledge of Performance Management and Reporting		5%
Knowledge of global and South African specific political, social and economic contexts		2%
Competence in policy conceptualisation, analysis and implementation		3%
Knowledge of more than one functional municipal field / discipline		5%
Skills in Mediation		2%
Skills in Governance		3%
Competence as required by other national line sector departments		5%

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9. OVERALL RATING

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal. The Assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee 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 achieves 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					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved 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.					

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 –

- ✓ Municipal Manager
- ✓ Chairperson of the performance audit committee
- ✓ Member of the Executive committee
- ✓ Municipal manager from another municipality.

Performance review of individual managers occurs on a quarterly basis during the periods in the table below.

First Quarter	During the first week of October.
Second Quarter	During the second week of February.
Third Quarter	During the first week of April.
Fourth Quarter and Annual Review	End of July.

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- ✓ The Client shall keep a record of the mid-year review and annual assessment meetings.
- ✓ Performance feedback shall be based on the client's assessment of the Employee's performance.
- ✓ The Client will be entitled to review and make reasonable changes to the provisions of Annexure "B" from time to time for operational reasons.
- ✓ The Employee must be fully consulted before any such change is made.
- ✓ The Client may amend the provisions of Annexure B 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 before any such changes is made.

#### 10. OBLIGATION OF THE CLIENT

The Client shall –

- ✓ Create an enabling environment to facilitate effective performance by the employee;
- ✓ Provide access to skills development and capacity building opportunities;
- ✓ Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- ✓ 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
- ✓ 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.

#### 11. CONSULTATION

The Client agrees to consult the Employee timeously where the exercising of the powers will have amongst others –

- ✓ A direct effect on the performance of any of the Employee's functions;
- ✓ Commit the Employee to implement or to give effect to a decision made by the Client; and
- ✓ A substantial financial effect on the Client.
- ✓ The Client agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in as soon as is practicable to enable the Employee to take any necessary action without delay.

#### MANAGEMENT OF EVALUATION OUTCOMES

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

In the case of unacceptable performance, the Client shall -

- ✓ Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- ✓ After appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Client 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, subject to the provisions of the Labour Relations Act, 1995 as amended.



12. DISPUTE RESOLUTION

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

- ✓ The MEC for Cooperative Governance and Traditional Affairs; or
- ✓ Any other person appointed by the MEC

12.2 In the event that the mediation process contemplated above fails, the parties concerned firstly to the jurisdiction of the Commission for Mediation and Arbitration (CMCMA) and if the CCMA is not able to adjudicate the dispute, a court of the Republic of South Africa with regard to any claims or dispute resulting or arising from this contract.

13. GENERAL

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

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

Thus, done and signed at **KURUMAN** on the 28<sup>th</sup> Day of **February 2019**.



Chief Financial Officer



(1) Witness



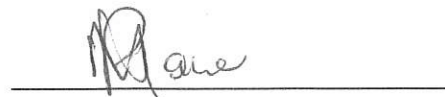
(2) Witness



Municipal Manager



(1) Witness



(2) Witness

Annexure A: PERSONAL DEVELOPMENT PLAN

DEVELOPMENTAL REQUIREMENTS

The aim of the Personal Development Plan (PDP) is to ensure that Employees are skilled to meet objectives as set out in the Performance Management Agreement employees by legislation. Such career-path planning ensures competent employees for current and possible future positions. It is there to identify, prioritise and implement training needs.

Legislative needs taken into account comes from the Municipal Systems Act Guidelines: Generic Senior Management Competency Framework and occupational competency profiles, Municipal Finance Management Competency Regulations, such as those developed by the National Treasury and other line sector departments legislated competency requirements needs to be taken into consideration during the PDP Process

2018/19 Personal Development Plan Chief Financial Officer						
Skills/Performance Gap	Outcome Expected	Suggested Training/ Development Activities	Suggested Mode of delivery	Suggested Timeframes	Work opportunity created to practice skill/ Development Area	Support Person
Project Management	Certificate in Contract Management	University	External	2 years	Project Management	Director of Corporate Services/Municipal Manager




  
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ANNEXURE B: DRAFT PERFORMANCE PLAN 2018-2019

Focus Area: Financial Viability and accountability		Quarterly Targets				Annual Target	Baseline	Unit of Measurement	KPI Type	Key Performance Indicator	Objectives	Directorate	Portfolio of Evidence
Strategic Goal	Objectives	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter								
Enhance revenue and financial management	To compile a funded and realistic budget annually for approved by Council by the end of May each year.	BTO	KPI 62 2018/2019 adjustment budget submitted to council for approval by the 28th of February 2019	Submission on or before 28 of February 2019	2017/2018 adjustment budget	Date	Ouput					Operational	Adjustment Budget and Council Resolution
			KPI 63 2019/2020 draft budget tabled to council by end of council by the 31st of March 2019	Submission on or before 31st of March 2019	Submission on or before 31st of March 2019	Date	Ouput				Operational	Draft Budget and Council Resolution	
			KPI 64 2019/2020 budget tabled to council by end of council by the 31st of May 2019	Submission on or before the 31st of May 2019	2019/2020 budget submitted to Council for approval by end of May 2019	Date	Ouput				Operational	Budget and Council Resolution	
			KPI 65 Number of performance and budget reports submitted to council by 30 June 2019	4	4 reports	Date	Ouput				Operational	Section 52 (d) reports and council resolution	
			KPI 66 Number of section 71 reports submitted within 10 days after a month by 30 June 2019	12	12 reports	Number	Ouput				Operational	Section 71 reports, proof of submission to the Mayor and provincial treasury and acknowledgement of receipts from the Mayor	

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Focus Area: Financial Viability and accountability		Key Performance Indicator				Quarterly Targets				Adjusted Budget	Portfolio of Evidence				
Strategic Goal	Objectives	Directorate	Key Performance Indicator	KPI Type	Unit of Measurement	Baseline	Annual Target	1st Quarter	2nd Quarter			3rd Quarter	4th Quarter		
Enhance revenue and financial management	To compile a funded and realistic budget annually for Council by the end of May each year.	BTO	KPI 67 Annual Financial Statements submitted to the Auditor General by the 31st of August 2018	Output	Date	2016/2017 AFS submitted to AG by 31 <sup>st</sup> August 2017	AFS submitted to AG by the 31st of August 2018	Annual financial Statements submitted to the Auditor General	1	1	1		R 1 052 062,00	Copy of the AFS and acknowledgement letter	
	To collect 80% of outstanding debt by 2022.		KPI 68 Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2019	Output	Number	4 reports	4 reports on MPRA submitted to council	1	1	1	1		Operational	MPRA reports and council resolution	
Enhance revenue and financial management		BTO	KPI 69 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2018 to 30 June 2019	Output	%	88%	90%	90%	90%	90%	90%		Operational	List of debtors receipts, Revenue Report Control levy summary	
			KPI 70 Number of supplementary valuations conducted by the 30th of June 2019	Output	Number	1 supplementary evaluation conducted	1	1	1	1	1		Operational	Supplementary valuations roll	
			KPI 71 Number indigent registered from 1 July 2018 to 30th June 2019	Output	Number	3500	3500	3500	3500	3500	3500	3500		Operational	Indigent register and application forms signed
			KPI 72 Unauthorised expenditure expressed as a % of total expenditure by June 2019	Output	%	10%	8%	8%	8%	8%	8%	8%		Operational	Irregular expenditure register and section 52(d) reports
Enhance revenue and financial management	To promote Financial Viability and accountability	BTO	KPI 73 Irregular expenditure expressed as a % of total expenditure on new appointments by June 2019	Output	%	25%	20%	20%	20%	20%	20%		Operational	Irregular expenditure register and section 52(d) reports	
			KPI 74 Fruitless expenditure expressed as a % of total expenditure by June 2019	Output	%	%	2%	2%	2%	2%	2%		Operational	Fruitless expenditure register and section 52(d) reports	

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Focus Area: Financial Viability and accountability													
Strategic Goal	Objectives	Directorate	Key Performance Indicator	KPI Type	Unit of Measurement	Baseline	Annual Target	Quarterly Targets				Adjusted Budget	Portfolio of Evidence
								1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
Enhance revenue and financial management	To promote Financial Viability and accountability	BTO	KPI 75 % of rates clearance certificates issued within 10 days of customer applications from 1 July 2018 to 30 June 2019	Output	%	88%	90%				90%	Operational	Customer application forms, clearance certificates
			KPI 76 Cash/trade creditors coverage ratio from 1 July 2018 to 30 June 2019	Output	Ratio	0.2:1	1:1				1:1	Operational	Bank Statement, creditors listing / age analysis
			KPI 77 Net debtors' days by 30 June 2019	Output	Days	120	60 days				60 days	Operational	Debtors age analysis, Revenue/Billing Report and Write off reports if applicable.



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**CORE MANAGEMENT COMPETENCIES**

The competency level will be assessed according to the extent to which specified standards have been met.

Competency	Definition	Standards
Strategic Capability and Leadership	Must be able to provide a vision, set the direction for the municipality and inspire others in order to deliver on the municipality's mandate.	<ul style="list-style-type: none"> <li>➤ Evaluates all activities to determine value added and alignment with the organizations' strategic goals</li> <li>➤ Displays and contributes in-depth knowledge to strategic planning at the organizational level.</li> <li>➤ Ensure alignment of strategies across various functional areas to the organization strategy</li> <li>➤ Defines performance measures to evaluate the success of organization's strategy</li> <li>➤ Monitors and review strategic plans consistently and takes corrective action to keep plans on track in light of new challenges in the environment</li> <li>➤ Promotes organization's mission and vision to all relevant stakeholders</li> <li>➤ Empowers others to deal with complex and ambiguous situations.</li> <li>➤ Develops and implements risk management.</li> <li>➤ Achieves agreement or consensus in an adversarial environment</li> </ul>
Programme and Project Management	Must be able to plan, manage, monitor and evaluate specific activities in order to ensure that policies are implemented and that Local Government objectives are achieved.	<ul style="list-style-type: none"> <li>➤ Manages multiple projects and balances priorities and conflicts between projects based on broader organizational goals.</li> <li>➤ Manages risks across multiple projects by examining total resource requirements and assessing impact of projects on the day-to-day operations.</li> <li>➤ Modifies project approach and budget without compromising the quality of outcomes and the desired results</li> </ul>
Financial Management	Must be able to know, understand and comply with the Municipal Finance Management Act No 56 of 2003	<ul style="list-style-type: none"> <li>➤ Takes ownership of key planning, budgeting and forecasting processes and answers questions related to topics within own responsibility.</li> <li>➤ Formulates long term financial plans and resource allocations.</li> <li>➤ Develops and implements systems, procedures and processes in order to improve financial management</li> <li>➤ Advises on policies and procedures regarding asset control.</li> <li>➤ Dynamically allocate resources according to internal and external objectives.</li> </ul>
Service Delivery Innovation	Must be able to explore and implement new ways of delivering services that contribute to the improvement of municipal processes in order to achieve municipal goals.	<ul style="list-style-type: none"> <li>➤ Formulates and implements new ideas throughout the organization.</li> <li>➤ Ensures buy-in from key stakeholders</li> <li>➤ Consults and utilizes international best practices in SDI//</li> <li>➤ Coaches others on innovation techniques</li> <li>➤ Inspires service providers to improve delivery of services</li> </ul>
People Management and Empowerment	Must be able to manage and encourage people, optimize their	<ul style="list-style-type: none"> <li>➤ Analyses ineffective team and work processes and recommends improvement</li> <li>➤ Recognizes and rewards desired behaviours and results</li> </ul>

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Competency	Definition	Standards
	outputs and effectively manage relationships in order to achieve the municipality's goals.	<ul style="list-style-type: none"> <li>➤ Mentors and counsels others</li> <li>➤ Addresses balance between individual career expectations and organizational needs.</li> <li>➤ Considers developmental needs of personnel when building teams and assigning tasks.</li> <li>➤ Establishes an environment in which personnel can maximize their potential.</li> </ul>
Client Orientation and Customer Focus	Must be willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.	<ul style="list-style-type: none"> <li>➤ Coaches others about the importance and application of customer and client knowledge.</li> <li>➤ Fosters an environment in which customer satisfaction is valued and delivered.</li> <li>➤ Addresses and resolves high risk high profile stakeholder issues.</li> <li>➤ Takes advantage of opportunities to learn about stakeholders and brings this information to own functional area.</li> </ul>
Communication	Must be able to exchange information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence other to achieve the desired outcomes.	<ul style="list-style-type: none"> <li>➤ Communicates high risk sensitive matters to all relevant stakeholders</li> <li>➤ Develops well defined communication strategy</li> <li>➤ Balances political views with organizational needs which communicating differing viewpoints on complex issues.</li> <li>➤ Communicates with the media without compromising the integrity of the organization</li> </ul>
Knowledge of Performance Management Reporting	The ability to support the implementation of performance management and reporting in the municipality	<ul style="list-style-type: none"> <li>➤ Knowledge and understanding of the legislative framework governing performance management in local government</li> <li>➤ Supporting and contributing to the timely preparation, submission and publication of statutory reports including annual report, in year reporting</li> <li>➤ Ability to interpret the performance management issues and concepts</li> <li>➤ Advanced knowledge of performance management issues and concepts</li> <li>➤ Thorough understanding of reporting requirements</li> </ul>
Competence in policy conceptualisation and implementation	Ability to support and contribute to the formulation of policy and by laws as well as ability to implement, manage and oversee the implementation of policy with the area of responsibility	<ul style="list-style-type: none"> <li>➤ Ability to analyse regulatory frameworks and various models of policy processes</li> </ul>


  
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