

GA-SEGONYANA LOCAL MUNICIPALITY

2023/2024

PERFORMANCE AGREEMENT
CHIEF FINANCIAL OFFICER

A handwritten signature in black ink, consisting of a stylized, cursive 'S' shape.

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)

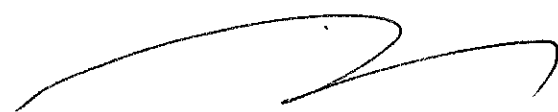


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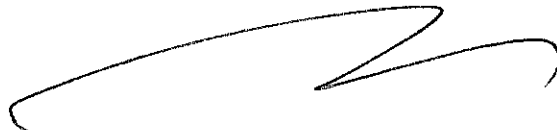
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ENTERED INTO BY AND BETWEEN:

GA-SEGONYANA LOCAL MUNICIPALITY herein represented by, **Martin Tsatsimpe** in his capacity as the **Municipal Manager** of GA-SEGONYANA LOCAL MUNICIPALITY (hereinafter referred to as the client)

AND

Kagiso 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.

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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 2021** and will remain in force until **30 June 2022** 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

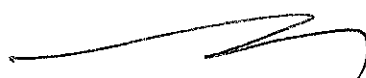
- ✓ The time frames within which those performance objectives and targets must be met
- ✓ The performance objectives and targets reflected in Annexure B are set by the Client in consultation with the Employees and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan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



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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.

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
Core Managerial Competencies:		
Strategic Capability and Leadership		10%
Programme and Project Management		
Financial Management	Compulsory	60%
Change Management		2%

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	√ (Indicate choice)	Weight
Core Managerial Competencies:		
Knowledge Management		8%
Service Delivery Innovation		5%
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	
Client Orientation and Customer Focus	Compulsory	
Communication		
Honesty and Integrity		5%
Core Occupational Competencies:		
Competence in Self-Management		1%
Interpretation of and implementation within the legislative and national policy frameworks		1%
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		1%
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		0.5%
Knowledge of more than one functional municipal field / discipline		
Skills in Mediation		
Skills in Governance		1%
Competence as required by other national line sector departments		0.5%
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage	-	100%

7. EVALUATING PERFORMANCE

The performance Plan (Annexure B) to this Agreement sets out-

- ✓ The standards and procedures for evaluating the Employee's performance; and
- ✓ The intervals for the evaluation of the Employee's performance.

Despite the establishment of agreed intervals for evaluation, the client may in addition review the Employee's performance at any stage while the contract of employment remains in force.

The annual performance appraisal will involve:

- ✓ Assessment of the achievement of results as outlined in the performance plan (Annexure B):
- ✓ Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- ✓ An indicative rating on the five-point scale should be provided for each KPA.
- ✓ The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

8. ASSESSMENT OF THE CMCS

Each CMC should be assessed according to the extent to which the specified standards have been met. An indicative rating on the five-point scale should be provided for each CMC. The applicable assessment rating calculator must then be used to add the scores and calculate a final CMC score.

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.					
	Not fully	Performance is below the standard required for					

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Level	Terminology	Description	Rating				
			1	2	3	4	5
2	effective	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.

- ✓ 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.

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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.

12. 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.

13. DISPUTE RESOLUTION

13.1. 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 mediated by –

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

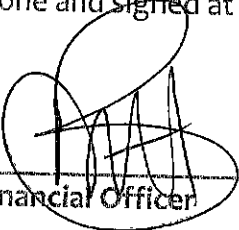
12.2 In the event that the mediation process contemplated above fails, the parties concerned firstly to the jurisdiction of the Commission for Mediation and Arbitration (CMCMA) and if the CCMA is not able to adjudicate the dispute, a court of the Republic of South Africa with regard to any claims or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

14. GENERAL

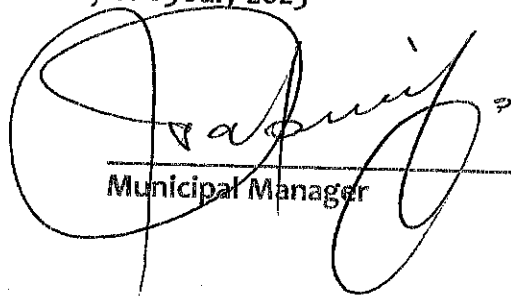
The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Client.

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 Day of **03 July 2023**



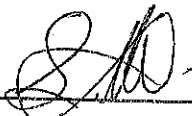
 Chief Financial Officer




 Municipal Manager




 (1) Witness



 (1) Witness



 (2) Witness



 (2) Witness

Annexure A: PERSONAL DEVELOPMENT PLAN
DEVELOPMENTAL REQUIREMENTS

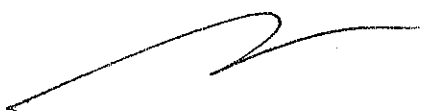
Annexure A: PERSONAL DEVELOPMENT PLAN

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

2023-2024 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
Continuous development	CPD continuous professional development	Attend CPD accredited w/shops/conferences	Attendance	1 July 2023-30 June 2024	Ongoing	N/A



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Key Performance Area: Financial Viability and Accountability												
Strategic Goals	Programme (DP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	Quarterly Targets				Annual Budget	Portfolio of Evidence
							1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
Enhance revenue and financial management	Free Basic Services (Indigent)	To ensure provision of free basic services to registered indigents	KPI 66 Number of indigent campaigns conducted by 30 June 2024.	Number of indigent campaigns conducted by 30 June 2023.	Number of indigent campaigns conducted by 30 June 2024.	Number	n/a	1	n/a	1	Operational	Indigent register
	Expenditure Management	Reduce unnecessary spending on travelling, overtime and operational costs by an average of 10% p.a.	KPI 67 Unauthorised expenditure expressed as a % of total expenditure by 30 June 2024.	0% Unauthorised expenditure expressed as a % of total expenditure by 30 June 2023.	0% Unauthorised expenditure expressed as a % of total expenditure by 30 June 2024.	%	n/a	n/a	n/a	0%	Operational	Unauthorised expenditure register and section 71 & 52(d) reports
			KPI 68 Irregular expenditure expressed as a % of total expenditure on New procurement by 30 June 2024.	0% Irregular expenditure expressed as a % of total expenditure on New procurement by 30 June 2023.	0% Irregular expenditure expressed as a % of total expenditure on New procurement by 30 June 2024.	%	n/a	n/a	n/a	0%	Operational	Irregular expenditure register and section 71 & 52(d) reports
			KPI 69 Fruitless expenditure expressed as a % of total	% Fruitless expenditure expressed as a % of total expenditure by 30 June 2023.	% Fruitless expenditure expressed as a % of total expenditure by 30 June 2024.	%	n/a	n/a	n/a	0%	Operational	Fruitless expenditure register and section 71 & 52(d) reports

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Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	Quarterly Targets				Annual Budget	Portfolio of Evidence	
							1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
Enhance revenue and financial management	Budgeting	To compile a funded and realistic budget annually for approved by Council	KPI 72 2023/2024 Adjusted budget submitted to Council for approval by 28 February 2024.	2022/2023 Adjusted budget submitted to Council for approval by 28 February 2023.	2022/2023 Adjusted budget submitted to Council for approval by 28 February 2024.	Date	n/a	n/a	28-Feb-24	n/a	Operational	Debtors age analysis, Revenue/Billing Report and Write off reports if applicable. (Circular 71 ratios)	Approved adjusted budget and council resolution
							n/a	n/a	90	90	90		
			expenditure by 30 June 2024.	100 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2023.	100 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2024.	%	n/a	n/a	n/a	n/a	Operational	Customer application forms and clearance certificates	
			KPI 70 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2024.	100 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2023.	100 % of rates clearance certificates issued within 10 days of customer applications by 30 June 2024.	%	n/a	n/a	n/a	100%	Operational	Customer application forms and clearance certificates	

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Strategic Goals	Programme (DP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	Quarterly Targets				Annual Budget	Portfolio of Evidence	
							1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
by the end of May each year.			KPI 73 2024/2025 draft budget tabled to council by 31 March 2024.	2023/2024 draft budget tabled to council by 31 March 2023.	2024/2025 draft budget tabled to council by 31 March 2024.	Date	n/a	n/a	n/a	31-Mar-24	n/a	Operational	Draft Budget and Council Resolution
			KPI 74 2024/2025 budget tabled to council for approval by the 31 May 2024.	2022/2023 budget tabled to council for approval by the 31 May 2023.	2024/2025 budget tabled to council for approval by the 31 May 2024.	Date	n/a	n/a	31-May-24	Operational	Budget and Council Resolution		
To ensure 100% compliance annually to legislative prescribed financial report requirements.			KPI 75 Performance and budget reports submitted to council by 30 June 2024.	4 Quarterly performance and budget reports (sec 52(d)) submitted to council by 30 June 2023.	4 Quarterly performance and budget reports (sec 52(d)) submitted to council by 30 June 2024.	Number	1	1	1	1	Operational	Section 52 (d) reports and council resolution	

Key Performance Area: Financial Viability and Accountability

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Key Performance Area: Financial Viability and Accountability		Quarterly Targets					Annual									
		3	3	3	3	3	Annual									
Enhance revenue and financial management	Budgeting	To promote Financial Viability and accountability	KPI 76 Section 71 data strings uploaded on lg portal within 10 working days after month end by 30 June 2024.	12 Quarterly section 71 reports submitted within 10 working days after month end by 30 June 2023.	12 Quarterly Section 71 data strings uploaded on lg portal within 10 working days after month end by 30 June 2024.	Number	3	3	3	3	3	Operational	Operational	Operational	Report and council resolution	
		To ensure 100% compliance annually to legislative and prescribed financial report requirements.	KPI 77 Annual Financial Statements submitted to the Auditor General by 31 August 2023.	Annual Financial Statements submitted to the Auditor General by 31 August 2022.	Annual Financial Statements submitted to the Auditor General by 31 August 2023.	Date	n/a	n/a	31-Aug-23	n/a	R6 000 000,00	Copy of the AFS and acknowledgment letter				
		To promote Financial Viability and accountability	KPI 78 Municipal Property Rates Act submitted to council by 30 June 2024.	4 Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2023.	4 Quarterly reports on Municipal Property Rates Act submitted to council by 30 June 2024.	Number	1	1	1	1						

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Strategic Goals	Programme (DP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Enhance revenue and financial management	Debt collection	To promote Financial Viability and accountability.	KPI 79 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2023 to 30 June 2024.	90% Receipts from debtors expressed as a % of total revenue for the period from 1 July 2020 to 30 June 2023	90% Receipts from debtors expressed as a % of total revenue for the period from 1 July 2020 to 30 June 2024	%	90%	90%	90%	90%				List of debtors' receipts, Revenue Report Control levy summary
			KPI 80 Supplementary valuation conducted by 30 June 2024.	Supplementary valuations conducted by 30 June 2023.	Supplementary valuations conducted by 30 June 2024.	Number	n/a	n/a	n/a	n/a	1			
			KPI 81 Cash/trade creditors coverage ratio by 30 June 2024.	Cash/trade creditors coverage ratio by 30 June 2023.	Cash/trade creditors coverage ratio by 30 June 2024.	Ratio	01:01	01:01	01:01	01:01				Bank Statement, creditors listing/ age analysis
			KPI 82 Net creditors' days by 30 June 2024.	Net creditors' days by 30 June 2023.	Net creditors' days (valid expenditure) by 30 June 2024.	Days	30	30	30	30				Creditors age analysis, Proof of payment, cashbook and date stamp on Invoice.

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