

GA-SEGONYANA LOCAL MUNICIPALITY

2024/2025

PERFORMANCE AGREEMENT

CHIEF FINANCIAL OFFICER

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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

Levy Mashiane

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** in his capacity as the **Municipal Manager** of GA-SEGONYANA LOCAL MUNICIPALITY (hereinafter referred to as the client)

AND

Levy Mashiane, ID No, 680914 5829 089 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 2024** and will remain in force until **30 June 2025** 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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- ✓ 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	
Basic Service Delivery and Development	
Financial Management	
Local Economic Development	
Good Governance and Public Participation	
Total	

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		
Programme and Project Management		
Financial Management	Compulsory	60
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	10
Client Orientation and Customer Focus	Compulsory	10

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CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	√ (Indicate choice)	Weight
Core Managerial Competencies:		
Communication		
Honesty and Integrity		10
Core Occupational Competencies:		
Competence in Self-Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		10
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field / discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector departments		
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.

- ✓ Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan.
- ✓ The actions agreed to and implementation must take place within set time frames.

The annual performance appraisal will involve:

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- ✓ 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.

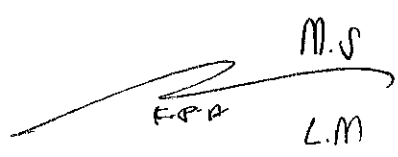
8. ASSESSMENT OF THE CMCS


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.					
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					

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Level	Terminology	Description	Rating				
			1	2	3	4	5
		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.

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;

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- ✓ 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

13.2 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.

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14.GENERAL

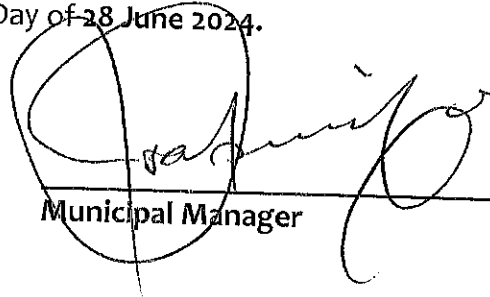
The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Client.

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.

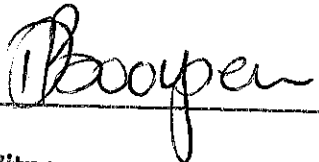
Thus, done and signed at **KURUMAN** on the Day of **28 June 2024**.




Chief Financial Officer



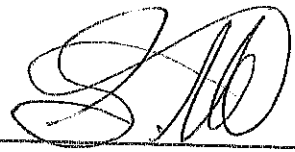
Municipal Manager




(1) Witness



(1) Witness



(2) Witness



(2) Witness



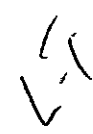
Annexure A: PERSONAL DEVELOPMENT PLAN

DEVELOPMENTAL REQUIREMENTS

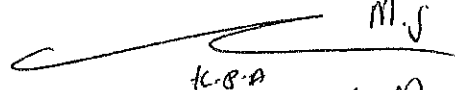

The aim of the Personal Development Plan (PDP) is to ensure that Employees are skilled to meet objectives as set out in the Performance Management Agreement employees by legislation. Such career-path planning ensures competent employees for current and possible future positions. It is there to identify,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

2024-2025 Personal Development Plan Chief Financial Officer						
Skills/Performance Gap	Outcome Expected	Suggested Training/ Development Activities	Suggested Mode of delivery	Suggested Time frames	Work opportunity created to practice skill/ Development Area	Support Person
Continues development	CPD continuous professional development	Attend CPD accredited workshops/conferences	Attendance	1 July 2024-30 June 2025.	Ongoing	N/A
Continues development	CPD continuous professional development	Munsoft Financial System	Attendance	1 July 2024-30 June 2025.	Ongoing	N/A
Continues development	CPD continuous professional development	Financial Modelling Course	Attendance	1 July 2024-30 June 2025.	Ongoing	N/A

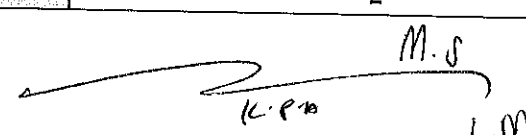

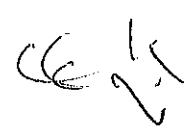
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Key Performance Area: Financial Viability and Accountability										Portfolio of Evidence			
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	Quarterly Targets				Annual Budget		
							1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
Strategic Goals	Budgeting	To compile a funded and realistic budget annually for approval by Council by the end of May of each year.	KPI 72 2024/2025 Adjusted budget submitted to Council for approval by 28 February 2025.	2023/2024 Adjusted budget submitted to Council for approval by 28 February 2024.	2024/2025 Adjusted budget submitted to Council for approval by 28 February 2025.	Date	n/a	n/a	28-Feb-25	n/a	Operational	Approved adjusted budget and council resolution	
			KPI 73 2025/2026 draft budget tabled to council by 31 March 2025.	2024/2025 draft budget tabled to council by 31 March 2024.	2025/2026 draft budget tabled to council by 31 March 2025.	Date	n/a	n/a	31-Mar-25	n/a	Operational		Draft Budget and Council Resolution
			KPI 74 2025/2026 budget tabled to council for approval by the 31 May 2025.	2024/2025 budget tabled to council for approval by the 31 May 2024.	2025/2026 budget tabled to council for approval by the 31 May 2025.	Date	n/a	n/a	31-May-25	n/a	Operational		Budget and Council Resolution
			KPI 75 Number of Performance and budget reports submitted to council by 30 June 2025.	4 Quarterly performance and budget reports (sec 52(d)) submitted to council by 30 June 2024.	4 Quarterly performance and budget reports (sec 52(d)) submitted to council by 30 June 2025.	Number	1	1	1	1	Operational		Section 52 (d) reports and council resolution
Key Performance Area: Financial Viability and Accountability										Portfolio of Evidence			
Strategic Goals	Programme (IDP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	Quarterly Targets				Annual Budget		
							1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
Enhance revenue and financial management	Budgeting	To promote Financial Viability and accountability	KPI 76 Number of Section 71 data strings uploaded on lg portal within 10 working days after month end by 30 June 2025.	12 Monthly Section 71 data strings uploaded on lg portal within 10 working days after month end by 30 June 2024.	12 Monthly Section 71 data strings uploaded on lg portal within 10 working days after month end by 30 June 2025.	Number	3	3	3	3	Operational	Section 71 data strings, proof of submission to the Mayor of MSCOA uploads.	

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Strategic Goals	Programme (DP)	Objectives	Key Performance Indicators	Baseline	Target output (Annual target)	Unit of Measurement	Quarterly Targets				Annual Budget	Portfolios of Evidence	
							1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
To ensure 100% compliance annually to legislatively prescribed financial report requirements.	KPI 77 Annual Financial Statements submitted to the Auditor General by 31 August 2024.	Annual Financial Statements submitted to the Auditor General by 31 August 2024.	Annual Financial Statements submitted to the Auditor General by 31 August 2024.	4 Quarterly reports on Municipal Property Rates Act Implementation Report submitted to council by 30 June 2024.	4 Quarterly reports on Municipal Property Rates Act Implementation Report submitted to council by 30 June 2025.	Number	1	1	1	1	1	Operational	Reports and council resolutions.
							31-Aug-24	n/a	n/a	n/a	n/a	R6 000 000,00	
To promote Financial Viability and accountability	KPI 78 Number of Municipal Property Rates Act Implementation Report submitted to council by 30 June 2025.	KPI 79 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2024 to 30 June 2025.	KPI 80 Supplementary valuation conducted by 30 June 2025.	KPI 81 Cash/trade creditors coverage ratio by 30 June 2025.	KPI 82 Net creditors' days by 30 June 2025.	Days	30	30	30	30	30	Operational	List of debtors' receipts, Revenue Report Control levy summary
							01:01	01:01	01:01	01:01	01:01	Operational	
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 2024 to 30 June 2025.	KPI 80 Supplementary valuation conducted by 30 June 2024.	KPI 81 Cash/trade creditors coverage ratio by 30 June 2024.	KPI 82 Net creditors' days (valid expenditure) by 30 June 2024.	Ratio	01:01	01:01	01:01	01:01	Operational	Bank Statement, creditors listing/age analysis
								01:01	01:01	01:01	01:01	Operational	
Enhance revenue and financial management	Enhance revenue and financial management	To promote Financial Viability and accountability.	KPI 79 Receipts from debtors expressed as a % of total revenue for the period from 1 July 2024 to 30 June 2025.	KPI 80 Supplementary valuation conducted by 30 June 2025.	KPI 81 Cash/trade creditors coverage ratio by 30 June 2025.	KPI 82 Net creditors' days by 30 June 2025.	Days	30	30	30	30	Operational	Creditors age analysis, Proof of payment, cashbook and date stamp on Invoice.
								01:01	01:01	01:01	01:01	Operational	

Key Performance Area: Financial Viability and Accountability

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