



**PERFORMANCE**  
**AGREEMENT**

**Chief Financial Officer**

**Sello J More** (City  
Manager) on behalf of  
the Municipality and  
**Nomathamsanqa Sitishi**  
(Acting CFO) Employee  
of the Municipality

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**01 December 2023 – 30 June 2024**

- 2.3 specify accountabilities as set out in a performance plan, which must be in a format substantially compliant to Appendix "A";
- 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 the position; and
- 2.6 appropriately reward the Employee in accordance with the Employer's performance management policy in the event of performance,

### 3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **01 November 2023** and will remain in force until **30 June 2024** where after a new Performance Agreement, Performance Plan and Personal Development Plan must be concluded between the parties for each of the following financial years or any portion thereof for the duration of the Agreement of Employment.
- 3.2 This Agreement will terminate on the termination of the **Employee's** employment for any reason whatsoever.
- 3.3 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.
- 3.4 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 must immediately be revised.
- 3.5 Any significant amendments or deviations must take cognizance of the requirements of section 34 and 42 of the Systems Act, and regulation 4(5) of the Regulations.

### 4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) must 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.

<b>Key Performance Areas (80% of Total)</b>	<b>Weighting</b>
Basic Service Delivery	10%
Municipal Institutional Development and transformation	10%
Local Economic Development (LED)	10%
Municipal Financial Viability and Management	60%
Good Governance and Public Participation	10%
<b>Total</b>	<b>100%</b>

5.5 The Core Management Criteria (CMC) will make up the other 20% of the Employee's assessment score, and are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed between the Employer and Employee

<b>CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES (20% of Total)</b>		
<b>CORE MANAGERIAL COMPETENCIES (CMC)</b>	√	<b>WEIGHT</b>
Strategic Direction and Leadership		10%
Programme and Project Management		5%
Financial Management	compulsory	10%
Change Management		5%
Knowledge Management		5%
Service Delivery Innovation		5%
Problem Solving and Analysis		5%
People Management and Empowerment	compulsory	5%
Client Orientation and Customer Focus	compulsory	5%
Communication		5%
Accountability and Ethical Conduct		10%
Policy Conceptualisation and implementation		5%
Mediation Skills		5%
Advanced Negotiation Skills		5%
Advanced influencing skills		5%
Partnership and Stakeholder Relations		5%
Supply Chain Management		5%
Total percentage	-	<b>100%</b>

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6.7 An overall rating is calculated by using the applicable assessment-rating calculator, which represents the outcome of the performance appraisal, provided that the performance assessment of the Employee will be used on the following rating scale for both Key Performance Indicators and Core Management Criteria

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.					
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.					

6.8 The performance of the Employee must be evaluated by an evaluation panel constituted in terms of regulation 27 (4)(e) and (f) of the Regulations.

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## 9. CONSULTATION

- 9.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will–
- a. have a direct effect on the performance of any of the **Employee's** functions;
  - b. commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and
  - c. have a substantial financial effect on the **Employer**.
- 9.2 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in sub-clause (1) above as soon as is practicable to enable the **Employee** to take any necessary action without delay.

## 10. MANAGEMENT OF EVALUATION OUTCOMES

- 10.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 10.2 A performance bonus of between 5% to 14% of the all-inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance, as per regulation 32(2) of the Regulations
- 10.3 In the case of unacceptable performance, the **Employer** shall –
- 10.3.1 must provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and
  - 10.3.2 may 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.

## 11. DISPUTE RESOLUTION

- 11.1 Any disputes about the nature of the **Employee's** performance agreement, must be mediated by –
- a. the Member of the Executive Council responsible for local government in the province, in case of the Municipal Manager, or any other person appointed by the said Member of the Executive Council; and

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## 1. Purpose

The performance plan defines the council expectation of the Head of Department's performance agreement to which this document is attached and Section 57 (5) of the Municipal System Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan and as reviewed annually.

## 2. Key responsibilities

The following objects of local government will inform the Head of Department's performance against set performance indicators:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner
- 2.3 Promote social and economic development
- 2.4 Promote a safe and healthy environment
- 2.5 Encourage the involvement of communities and community organisation in the matters of local government

## 3. Key Performance Area

The following Key Performance Area (KPA) as outline in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006), inform the strategic objective listed in the table below:

- 3.1 Basic Service Delivery.
- 3.2 Municipal Institutional Development and transformation
- 3.3 Local Economic Development (LED)
- 3.4 Municipal Financial Viability and Management
- 3.5 Good Governance and Public Participation

## 4. Key Performance Objectives and Indicators, for the Municipal Manager and Managers Directly accountable to Municipal Manager

The provision and statutory time frames contained in the following legislation are required to be reported on and measured:

- 4.1 Section 157 of the Constitution of the Republic of South Africa, 1996
- 4.2 Local Government Municipal performance Regulations for Municipal Managers and Managers Directly (Regulation No. R805, dated 1 August 2006)

**MMM PERFORMANCE OBJECTIVES PER DEPARTMENT AS PER THE SDBIP**

**Finance**

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY														
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE														
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION														
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION														
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT														
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE														
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS														
Ward No.	Community Aspirations No.	Programme/Project	Strategies	Baseline/PAst performance 2022/2023	Final IDP Outcome Key Performance Indicator	Final IDP Target 2023/2024	Final SDBIP Output Performance Indicator	Final SDBIP Target 2023/2024	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Details of POE to be provided	Assessment Score Level 5 - 1	Motivation for exceptional performance	Corrective Actions for under performance
ALL	Administrative Support	Percentage increase on number of customers receiving accurate bills	Installation of prepaid water meters Operational meter reading handheld devices	Reduced the interim meter readings	Reduce the interim meter readings	10%	Reduce the interim meter readings	10%	20%	15%	13%	10%	Excel estimation report			
ALL	Administrative Support	Implementation of a web platform for consumers to get their statements Further discussions with the post office to increase effective rate Converting more consumers to email statements or by apps/sms	Issued consumer accounts to correct addresses	Reduction of consumer accounts issued to incorrect addresses	Reduce number of returned consumer accounts	5%	Reduce number of returned consumer accounts	5%	8%	7%	6%	5%	Returned mail report			
ALL	Administrative Support	Full implementation of the Council's Credit Control Policy	Improved collection rate	Improve collection rate.	Improve collection rate.	90%	Improve collection rate	87%	97%	93%	90%	87%	Debt collection report			
ALL	Administrative Support	Number of defaulting businesses litigated Additional handover of accounts	Litigated defaulting businesses	Defaulting businesses litigated	Number of businesses litigated	400	Number of businesses litigated	400	100	100	100	100	Excel file of litigated accounts			

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FINANCIAL VIABILITY																
PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE																
01 – SPATIAL INTEGRATION																
INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION																
FINANCIAL MANAGEMENT																
SDG 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE																
FINANCIAL HEALTH IMPROVEMENTS																
Ward No.	Community Aspirations No.	Programme/Project	Strategies	Baseline/PA Performance 2022/2023	Final IDP Outcome Key Performance Indicator	Final IDP Target 2023/2024	Final SDBIP Output Key Performance Indicator	Final SDBIP Target 2023/2024	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Details of POE to be provided	Assessment Score Level 5 - 1	Motivation for exceptional performance	Corrective Actions for under performance
ALL	Administrative Support		Improve revenue collection to meet financial obligations	Improved revenue collection to meet financial obligations	Debt coverage	26%	Debt coverage	26%	26%	26%	26%	26%	C schedule			
ALL	Administrative Support		Improve revenue collection to meet financial obligations	Improved revenue collection to meet financial obligations	Outstanding service debtors to revenue	90%	Outstanding service debtors to revenue	87%	87%	87%	87%	87%	C schedule			
ALL	Administrative Support	Cost coverage	Improve revenue collection to meet financial obligations	Improved revenue collection to meet financial obligations	Cost coverage	2 months	Cost coverage	2 months	2 months	2 months	2 months	2 months	C schedule			
ALL	Administrative Support	Compliance with In-Year Reporting Requirements	Monthly submission of MFMA Section 71 Reports	12 Reports submitted on time	Timeous submission of MFMA Section 71 Reports	12 reports submitted on time	Timeous submission of MFMA Section 71 Reports	12 reports submitted on time	Submission of 3 monthly Section 71 reports	Submission of 3 monthly Section 71 reports	Submission of 3 monthly Section 71 reports	Submission of 3 monthly Section 71 reports	Proof of submission to NT			
ALL	Administrative Support		Quarterly submission of MFMA Section 52 Reports	Quarterly Section 52 Reports not submitted on time	Timeous submission of MFMA Section 52 Reports	4 reports submitted on time	Timeous submission of MFMA Section 52 Reports	4 reports submitted on time	Submission of 1 monthly Section 52 report	Submission of 1 monthly Section 52 report	Submission of 1 monthly Section 52 report	Submission of 1 monthly Section 52 report	Proof of submission to NT			
ALL	Administrative Support		Submission of Annual Financial Statements	Annual Financial Statements submitted to Auditor-General on time	Submission of Annual Financial Statements to Auditor-General on time	2 AFS Submitted to Auditor-General on time	Submission of Annual Financial Statements to Auditor-General on time	2 AFS Submitted to Auditor-General on time	Submission of AFS and consolidated AFS	Submission of AFS and consolidated AFS	Submission of AFS and consolidated AFS	Submission of AFS and consolidated AFS	Acknowledgment letter from AG/ proof of email			
ALL	Administrative Support	Compilation	Timeous	Funded	Funded and	At least 3	Funded and	At least 3	0	0	Tabling of	Approval	Council			

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**CIRCULAR 88**

Outcome	Final IDP Outcome Indicator	Final IDP Target 2023/2024	Final SDBIP Output Key Performance Indicator	Final SDBIP Target 2023/2024	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Details of POE to be provided	Assessment Score Level 5 - 1	Motivation for exceptional performance	Corrective Actions for under performance
FM1. Enhanced municipal budgeting and budget implementation	FM1.1 Percentage of expenditure against total budget	95%	FM1.11 Total Capital Expenditure as a percentage of Total Capital Budget	95%	25%	50%	75%	95%	C schedule			
				95%	25%	50%	75%	95%	C schedule			
				95%	25%	50%	75%	95%	C schedule			
				95%	25%	50%	75%	95%	C schedule			
			FM1.14 Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue	95%	25%	50%	75%	95%	C schedule			

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Outcome	Final IDP Outcome Indicator	Final IDP Target 2023/2024	Final SDBIP Key Performance Indicator	Final SDBIP Target 2023/2024	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Details of POE to be provided	Assessment		
										Assessment Score Level 5 - 1	Motivation for exceptional performance	Corrective Actions for under performance
Outcome			FM3.13 Trade payables to cash ratio	5%	5%	5%	5%	5%	C schedule			
			FM3.14 Liquidity ratio	1.5	1.5	1.5	1.5	1.5	C schedule			
FM4. Improved expenditure management	FM4.1 Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	0%	FM4.11 Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	0%	0%	0%	0%	0%				
FM5. Improved asset management	FM5.1 Percentage change of own											
		100%	FM4.31 Creditors payment period	30 days	30 days	30 days	30 days	30 days	Payment report			

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Outcome	Final IDP Outcome Indicator	Final IDP Target 2023/2024	Final SDBIP Output Key Performance Indicator	Final SDBIP Target 2023/2024	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Details of POE to be provided	Assessment		
										Assessment Score Level 5-1	Motivation for exceptional performance	Corrective Actions for under performance
Outcome			Assets as a percentage of Depreciation/Asset impairment									
	FM5.3 Percentage change of repairs and maintenance of existing infrastructure	8%	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property	8%	8%	8%	8%	8%	C schedule			
FM6. Improved supply chain management	FM6.1 Percentage change in the amount of irregular expenditure a result of SCM transgressions											
			FM6.11 Turnaround time to make final award in terms of exemption from SCM Reg 4(3) and 29(2)	120 Days	120 Days	120 Days	120 Days	120 Days	SCM Policy			
			FM6.12 Percentage of awarded tenders [over R200K], published on the municipality's website	100%	100%	100%	100%	100%	Extract from website			

Outcome	Final IDP Outcome Indicator	Final IDP Target 2023/2024	Final SDBIP Key Performance Indicator	Final SDBIP Target 2023/2024	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Details of POE to be provided	Assessment		
										Assessment Score Level 5-1	Motivation for exceptional performance	Corrective Actions for under performance
			FM7.32 Net Surplus /Deficit Margin for Water									
			FM7.33 Net Surplus /Deficit Margin for Wastewater									
			FM7.34 Net Surplus /Deficit Margin for Refuse									
	FM7.4 Number of residential properties in the billing system as a percentage of residential properties in the valuation roll											
	FM7.5 Number of non-residential properties in the billing system as a percentage of non-residential properties in the valuation roll											

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GOVERNANCE LEGISLATIVE KPAS	BASIC SERVICE DELIVERY AND GOOD GOVERNANCE AND PUBLIC PARTICIPATION			IDP KPA	GOOD GOVERNANCE ANNUAL REPORT FINAL	KPA No (No in the IDP e.g.3)						
	KPI	TARGET	1 <sup>st</sup> BIENNIAL REPORT			MOTIVATION FOR UNDER AND EXCEPTIONAL PERFORMANCE	Assessment Score					
							1	2	3	4	5	
IDP OBJECTIVE	strategic risks	mitigation of identified strategic risks	mitigation of identified strategic risks	mitigation of identified strategic risks								
	% Compliance with the city's system of delegation policy	100% compliance with the city's system of delegation policy	100% compliance with the city's system of delegation policy	100% compliance with the city's system of delegation policy								
	% increase in implementation of the city's SDBIP	100% implementation of the city's SDBIP	100% implementation of the city's SDBIP	100% implementation of the city's SDBIP								
	% implementation of employment equity targets set for OCM in the city's employment equity plan	100% implementation of employment equity targets set for department in the city's employment equity plan	100% implementation of employment equity targets set for department in the city's employment equity plan	100% implementation of employment equity targets set for department in the city's employment equity plan								
	% adherence to targets set by the city on the subnational programme of doing business for the department	100% adherence to targets set by the city on the subnational programmes doing business for the department	100% adherence to targets set by the city on the subnational programmes doing business for the department	100% adherence to targets set by the city on the subnational programmes doing business for the department								
	% compliance with the provision of the Occupational Health and Safety Act (Act 85 of 1993) (OHSA)	100% compliance on a quarterly basis with the Occupational Health and Safety elements.	100% compliance on a quarterly basis with the Occupational Health and Safety elements.	100% compliance on a quarterly basis with the Occupational Health and Safety elements.								
	Facilitate effective implementation of the approved Financial Recovery Plan (FRP) and achieving financial recovery and provision of reliable and uninterrupted basic services	To advise and support on the approach to the implementation of FRP activities to optimize the reduction of operational expenditure and increase of revenue for the municipality	Provided advise and support on the approach to the implementation of FRP activities to optimize the reduction of operational expenditure and increase of revenue for the municipality	Provided advise and support on the approach to the implementation of FRP activities to optimize the reduction of operational expenditure and increase of revenue for the municipality	Provided advise and support on the approach to the implementation of FRP activities to optimize the reduction of operational expenditure and increase of revenue for the municipality							

**STRATEGIC RESPONSIBILITIES OF THE SUPPORT TEAM**

OBJECTIVE	KPI	TARGET	MOTIVATION FOR UNDER PERFORMANCE AND EXCEPTIONAL PERFORMANCE	Assessment Score				
				1	2	3	4	5
Facilitate effective implementation of the approved Financial Recovery Plan (FRP) and achieving financial recovery and provision of reliable and uninterrupted basic services	To support NCR in the implementation of the terms of reference	100% Support to NCR						
	To provide strategic leadership and direction to the relevant pillars of sustainability as provided for in the FRP	100% of strategic leadership						
	To identify challenges and propose solutions to ensure provision of uninterrupted basic service to the community and prudent financial management are achieved	All identify challenges and proposed solutions to ensure provision of uninterrupted basic service to the community and prudent financial management are achieved						
	To advise and support on the approach to the implementation of FRP activities to optimize the reduction of operational expenditure and increase of revenue for the municipality	Provided advise and support on the approach to the implementation of FRP activities to optimize the reduction of operational expenditure and increase of revenue for the municipality						
	To recommend and ensure implementation of internal controls, procedures and systems for good governance, prudent financial management and effective service delivery in compliance with statutory prescripts	100% compliance with statutory prescripts						
	To prepare and submit monthly reports on the implementation of the FRP to the NCR	All monthly reports on the implementation of the FRP submitted to the NCR						
	To execute all delegated authority and responsibilities as may be assigned from time to time by the NCR	All delegated authority and responsibilities as may be assigned from time to time by the NCR executed						
	To prepare and present progress at meetings of the oversight and intergovernmental relations structure of government	All reports presented to IGR structures of government						
	To conduct an assessment and make recommendations on the effective utilization of	All recommendations on the effective utilization of human resources are complete						

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6. Consolidated Score Sheet

Key Performance Area	Weighting	Acting City Manager's rating	Acting Head of Department's Rating	Final / Consolidated Score	Reason for Final Score
1					
2					
3					
4					
5					
6					
7					
<b>Total:</b>	<b>100</b>	<b>Final Score</b>			

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**PERSONAL DEVELOPMENT PLAN**

**MUNICIPALITY:** \_\_\_\_\_  
**INCUBENT:** \_\_\_\_\_  
**SALARY:** \_\_\_\_\_  
**JOB TITTLE:** \_\_\_\_\_  
**REPORT TO:** \_\_\_\_\_

1. What are the competencies required for this job (refer to competency profile of job description)?  _____ _____ _____
2. What are competencies from the above list, does the job holder already possess?  _____ _____ _____
3. What then are the competency gaps? (if the job holder possesses all the necessary competencies, complete No's 5 and 6).  _____ _____ _____
4. Actions/Training interventions to address the gaps/needs  _____ _____ _____
5. Indicate the competencies required for future career progression/development  _____ _____ _____

