

KAREEBERG MUNICIPALITY



**Performance Agreement
for the financial year 1 July 2021 – 30 June 2022**

CHIEF FINANCIAL OFFICER

2. PURPOSE OF THIS AGREEMENT

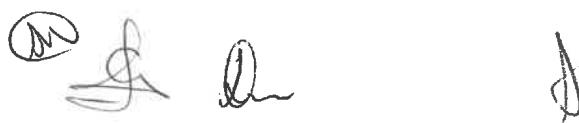
- 2.1 To comply with the provisions of Section 57(1)(b),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;
- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on 1 July 2021 and will remain in force until 30 June 2022 where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason;
- 3.4 If at any time during the validity of the agreement the work environment alters to the extent that the contents of the agreement are no longer appropriate, the contents must by mutual agreement between the parties, immediately be revised; and
- 3.5 Any significant amendments or deviations must take cognizance of the requirements of sections 34 and 42 of the Municipal Systems Act and Regulation 4(5) of the Regulations.

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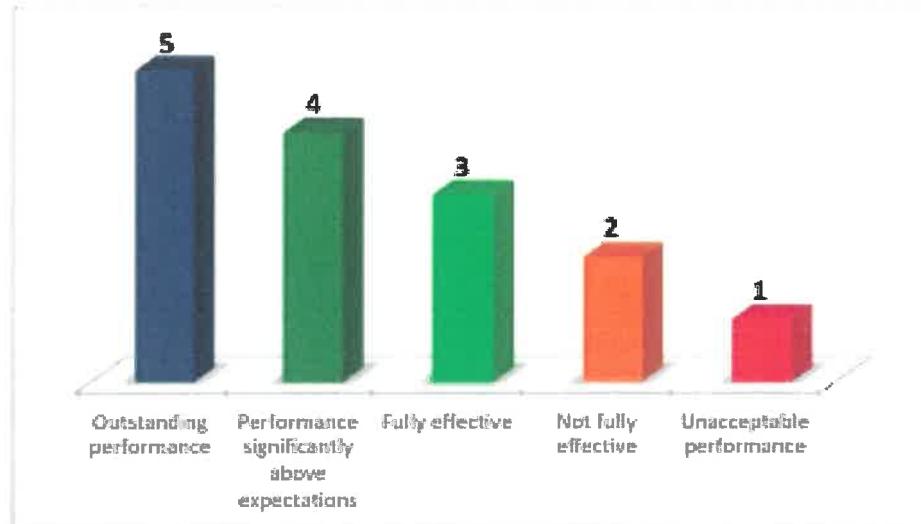
performance standards to assist the employees and service providers to perform to the standards required;

- 5.3 The Employer must consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the key performance indicators (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, Operational Performance and Competencies both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan, which are linked to the KPA, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee;
- 5.7 The Competencies will make up the other 20% of the Employee's assessment score. The Competencies are split into two groups, leading competencies (indicated in blue on the graph below) that drive strategic intent and direction and core competencies (indicated in green on the graph below), which drive the execution of the leading competencies.

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out key performance indicators and competencies that needs to be evaluated in terms of –
 - 6.1.1 The standards and procedures for evaluating the Employee's performance; and
 - 6.1.2 During the intervals for the evaluation of the Employee's performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;

- 6.9 The assessment of the performance of the Employee will be based on the following rating scale for KPIs:



Terminology	Description
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.
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.
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 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.
Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they 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.

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- 6.12 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st and 3rd quarters and document a summary of the discussions; and
- 6.13 The Municipal Manager will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meetings.

7. SCHEDULE FOR PERFORMANCE REVIEWS

- 7.1 The performance of the Employee in relation to his performance agreement shall be reviewed for the following quarter:

Quarter	Months
1	July - September
2	October - December
3	January – March
4	April - June

- 7.2 The Employer shall keep a record of the year-end assessment meetings;
- 7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;
- 7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and
- 7.5 The Employer may amend the provisions of Annexure A 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 change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after the each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

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- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter;
- 11.3 The performance bonus will be awarded pro-rata according to the period of this agreement based on the following scheme:

Performance Rating	Bonus Calculation
0% - 64%	Poor Performance 0% of total package
65% - 69%	Average Performance 5% of total package
70% - 74%	Fair Performance 9% of total package
75% - 79%	Good Performance 11% of total package
80% - 100%	Excellent Performance 14% of total package

- 11.4 In the event of the Employee terminating his services during the validity period of this Agreement, but only after three months after the start of this agreement's inception date, the Employee's performance will be evaluated for the period during which he/she was employed and he/she will be entitled to a pro-rata performance bonus based on his/her evaluated performance for the period of actual service; and
- 11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

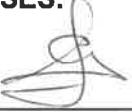
- 12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and
- 12.4 In the case of unacceptable performance, the Employer shall –
 - 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and
 - 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to



Performance Agreement

Thus done and signed at Canyon on the 16 day of July 2021.

AS WITNESSES:

1. 



ACTING MUNICIPAL MANAGER

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Thus done and signed at Canyon on the 16 day of July of 2021

AS WITNESSES:

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CHIEF FINANCIAL OFFICER

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Performance Plan

CFO
Dr. Zephra D. So
Lee

KEY PERFORMANCE INDICATORS

The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below.

The assessment of these performance indicators will account for **eighty percent** of the total employee assessment score.

Internal Ref No	National KPA	Key Performance Indicator (KPI)	Unit of Measurement	Targets				Weight
				Q1	Q2	Q3	Q4	
TL19	Basic Service Delivery	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2022 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)X100]	% of capital budget spent on capital projects by 30 June 2022	0.00%	10.00%	60.00%	80.00%	2
TL20	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2022 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating R	% debt coverage	0.00%	0.00%	0.00%	45.00%	2
TL21	Municipal Financial Viability and Management	Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors to revenue received for services	0.00%	0.00%	0.00%	50.00%	1
TL22	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fixed operating expenditure with available cash	0	0	0	1	1
TL23	Municipal Financial Viability and Management	Submit the annual financial statements for the 2020/21 financial year to AGSA by 31 August 2021	Annual financial statements for the 2020/21 financial year submitted to AGSA by 31 August 2021	1	0	0	0	2
TL24	Municipal Financial Viability and Management	Submit the draft main budget for the 2022/23 financial year to Council by 31 March 2022	Draft main budget for the 2022/23 financial year submitted to Council by 31 March 2022	0	0	1	0	2
TL25	Municipal Financial Viability and Management	Achieve a debtor payment percentage of 80% by 30 June 2022 ((Gross Debtors Opening Balance + Billed Debtors Opening Balance + Billed	% debtor payment achieved	0.00%	80.00%	0.00%	80.00%	1

Internal Ref No	National KPA	Key Performance Indicator (KPI)	Unit of Measurement	Targets				Weight
				Q1	Q2	Q3	Q4	
D73	Municipal Financial Viability and Management	Attend to the Internal Audit and respond to the internal audit exceptions within 3 days after receiving from the internal auditors of PKSDM	% internal audit exceptions responded to within 3 days after receiving from the internal auditors of PKSDM	100.00%	100.00%	100.00%	100.00%	1
D74	Municipal Financial Viability and Management	Submit the Budget Schedule to Council by 31 August 2021	Budget Schedule submitted	1	0	0	0	2
D75	Municipal Financial Viability and Management	Update and balance the asset register by 30 June	Asset register updated and balanced by 30 June	0	0	0	1	2
D76	Municipal Financial Viability and Management	Update investments register and balance with the general ledger by the 10th working day of every month	Number of updates	3	3	3	3	2
D77	Municipal Transformation and Institutional Development	Submit quarterly reports to the MM on the progress made with the implementation with Audit Action plan	Number of reports submitted	0	0	1	1	2
D78	Municipal Transformation and Institutional Development	Submit monthly reports to the MM	Number of reports submitted	3	3	3	3	2
D79	Basic Service Delivery	Submit MIG financial progress reports as required by the Provincial Department of Local Government before the 10th working day of the month	Number of MIG progress reports submitted to the Provincial Department of Local Government before the 10th working day of the month	3	3	3	3	1
D80	Basic Service Delivery	Submit the NERSA form by 31 October	NERSA form submitted	0	1	0	0	2
D81	Municipal Financial Viability and Management	Complete the reconciliation of all creditor control votes and suspense accounts by the 10th working day of every month	Number of reconciliations completed	3	3	3	3	1
D82	Municipal Financial Viability and Management	Submit reconciliations on a monthly basis of VAT and payment or claim from SARS by the 25th of every month	Number of reconciliations completed	3	3	3	3	2
D83	Municipal Financial Viability and Management	Submit the RP5 reconciliation as per the date determined by SARS (October and May)	Number of reconciliations submitted	0	1	0	1	2

Annexure A

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Annexure A **2021/22**

Competency	Definition	Weight
Governance leadership	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships. It includes: <ul style="list-style-type: none">• Policy formulation• Risk and compliance management• Cooperative governance	1.67
CORE COMPETENCIES		
Moral competence	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and display behaviour that reflects moral competence.	1.67
Planning and organising	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.	1.67
Analysis and innovation	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives.	1.67
Knowledge and information management	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government	1.67
Communication	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.	1.67
Results and quality focus	Able to maintain high quality standards, focus on achieving results and objectives while consistency striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.	1.67
TOTAL	20	

Competency Framework

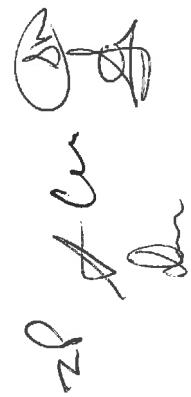
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CLUSTER :	LEADING COMPETENCIES			
	COMPETENCY NAME :	COMPETENCY DEFINITION :	ACHIEVEMENT LEVELS	SUPERIOR
People Management	<p>Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives</p>	<p>BASIC</p> <ul style="list-style-type: none"> Participate in team goalsetting and problem solving Interact and collaborate with people of diverse backgrounds Aware of guidelines for employee development, but requires support in implementing development initiatives <p>COMPETENT</p> <ul style="list-style-type: none"> Seek opportunities to increase team contribution and responsibility Respect and support the diverse nature of others and be aware of the benefits of a diverse approach Effectively delegate tasks and empower others to increase contribution and execute functions optimally Apply relevant employee legislation fairly and consistently Effectively identify capacity requirements to fulfill the strategic mandate <p>ADVANCED</p> <ul style="list-style-type: none"> Identify ineffective team and work processes and recommend remedial interventions Recognise and reward effective and desired behavior Provide mentoring and guidance to others in order to increase personal effectiveness Identify development and learning needs within the team Inspire a culture of performance excellence by giving positive and constructive feedback to the team 	<p>SUPERIOR</p> <ul style="list-style-type: none"> Develop and incorporate best practice people management processes, approaches and tools across the institution Foster a culture of discipline, responsibility and accountability Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution Develop comprehensive integrated strategies and approaches to human capital development and management Actively identify trends and predict capacity requirements to facilitate unified transition and performance management 	

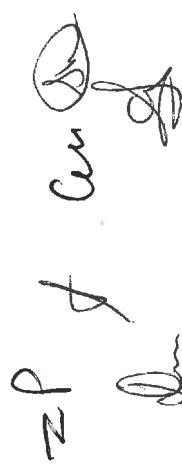
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CLUSTER :	LEADING COMPETENCIES	ACHIEVEMENT LEVELS			
		BASIC	COMPETENT	ADVANCED	SUPERIOR
COMPETENCY NAME : Financial Management	COMPETENCY DEFINITION : Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner	<ul style="list-style-type: none"> Understand basic financial concepts and methods as they relate to institutional processes and activities Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems Understand the importance of financial accountability Understand the importance of asset control 	<ul style="list-style-type: none"> Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate Assess, identify and manage financial risks Assume a cost-saving approach to financial management Prepare financial reports based on specified formats Consider and understand the financial implications of decisions and suggestions Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget 	<ul style="list-style-type: none"> Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility Prepare budgets that are aligned to the strategic objectives of the institution Address complex budgeting and financial management concerns Put systems and processes in place to enhance the quality and integrity of financial management practices Advise on policies and procedures regarding asset control Promote National Treasury's regulatory framework for Financial Management 	<ul style="list-style-type: none"> Develop planning tools to assist in evaluating and monitoring future expenditure trends Set budget frameworks for the institution Set strategic direction for the institution on expenditure and other financial processes Build and nurture partnerships to improve financial management and achieve financial savings Actively identify and implement new methods to improve asset control Display professionalism in dealing with financial data and processes



CLUSTER	LEADING COMPETENCIES	ACHIEVEMENT LEVELS				
		BASIC	COMPETENT	ADVANCED	SUPERIOR	
COMPETENCY NAME : COMPETENCY DEFINITION :	<p>Governance Leadership</p> <p>Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships</p>	<ul style="list-style-type: none"> Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders Provide input into policy formulation 	<ul style="list-style-type: none"> Display a thorough understanding of governance and risk and compliance factors and implement plans to address these Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution Actively drive policy formulation within the institution to ensure the achievement of objectives 	<ul style="list-style-type: none"> Identify, analyse and measure risk, create valid risk forecasts and map risk profiles Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives Demonstrate a thorough understanding of risk retention plans 	<ul style="list-style-type: none"> Demonstrate a high level of commitment in complying with governance requirements Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework Able to advise local government on risk management, best practice interventions and compliance management Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government Able to shape, direct and drive the formulation of policies on a macro level 	<ul style="list-style-type: none"> Demonstrate a high level of commitment in complying with governance requirements Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework Able to advise local government on risk management, best practice interventions and compliance management Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government Able to shape, direct and drive the formulation of policies on a macro level



CLUSTER :	CORE COMPETENCES
COMPETENCY NAME :	Planning and Organising
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk
	ACHIEVEMENT LEVELS
BASIC	COMPETENT
<ul style="list-style-type: none"> • Able to follow basic plans and organise tasks around set objectives • Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans • Able to follow existing plans and ensure that objectives are met • Focus on short-term objectives in developing plans and actions • Arrange information and resources required for a task, but require further structure and organisation 	<ul style="list-style-type: none"> • Actively and appropriately organise information and resources required for a task • Recognise the urgency and importance of tasks • Balance short and long-term plans and goals and incorporate into the team's performance objectives • Schedule tasks to ensure they are performed within budget and with efficient use of time and resources • Measures progress and monitor performance results
ADVANCED	SUPERIOR
	<ul style="list-style-type: none"> • Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation • Identify in advance required stages and actions to complete tasks • Schedule realistic timelines, objectives and milestones for tasks and projects • Produce clear, detailed and comprehensive plans to achieve institutional objectives • Identify possible risk factors and design and implement appropriate contingency plans • Adapt plans in light of changing circumstances • Prioritise tasks and projects according to their relevant urgency and importance







CLUSTER :	CORE COMPETENCIES		
	COMPETENCY NAME :	ACHIEVEMENT LEVELS	SUPERIOR
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government		
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none"> • Collect, categorise and track relevant information required for specific tasks and projects • Analyse and interpret information to draw conclusions • Seek new sources of information to increase the knowledge base • Regularly share information and knowledge with internal stakeholders and team members 	<ul style="list-style-type: none"> • Use appropriate information systems and technology to manage institutional knowledge and information sharing • Evaluate data from various sources and use information effectively to influence decisions and provide solutions • Actively create mechanisms and structures for sharing information • Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency 	<ul style="list-style-type: none"> • Effectively predict future information and knowledge management requirements and systems • Develop standards and processes to meet future knowledge management needs • Share and promote best-practice knowledge management across various institutions • Establish accurate measures and monitoring systems for knowledge and information management • Create a culture conducive of learning and knowledge sharing 	<ul style="list-style-type: none"> • Where team members are empowered to seek, gain and share knowledge and information • Establish partnerships across local government to facilitate knowledge management • Demonstrate a mature approach • Recognise and exploit knowledge points in interactions with internal and external stakeholders • Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches

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CLUSTER :	COMPETENCY NAME :	CORE COMPETENCES		
		COMPETENCY DEFINITION :	Achievement Levels	
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none"> Understand quality of work but requires guidance in attending to important matters Show a basic commitment to achieving the correct results Produce the minimum level of results required in the role Produce outcomes that is of a good standard Focus on the quantity of output but requires development in incorporating the quality of work Produce quality work in general circumstances, but fails to meet expectation when under pressure 	<ul style="list-style-type: none"> Focus on high-priority actions and does not become distracted by lower-priority activities Display firm commitment and pride in achieving the correct results Set quality standards and design processes and tasks around achieving set standards Produce output of high quality Able to balance the quantity and quality and quality of results in order to achieve objectives Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed 	<ul style="list-style-type: none"> Consistently verify own standards and outcomes to ensure quality output Focus on the end result and avoids being distracted Demonstrate a determined and committed approach to achieving results and quality standards Follow task and projects through to completion Set challenging goals and objectives to self and team and display commitment to achieving expectations Maintain a focus on quality outputs when placed under pressure 	<ul style="list-style-type: none"> Coach and guide others to exceed quality standards and results Develop challenging, client-focused goals and sets high standards for personal performance Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required Work with team to set ambitious and challenging team goals, communicating long- and short term expectations Take appropriate risks to accomplish goals Overcome setbacks and adjust action plans to realise goals 	<ul style="list-style-type: none"> Focus people on critical activities that yield a high impact Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution



Dr. S. P. Chauhan

Personal Development Plan

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