

KGATELOPELE LOCAL MUNICIPALITY



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**KGATELOPELE LOCAL MUNICIPALITY,
AS REPRESENTED BY:**

MUNICIPAL MANAGER

Mr. MONDE JANUARY

.....
(FULL NAMES)

AND

Ms. OPHELIA LOUW

.....
(FULL NAMES)

DIRECTOR FINANCE (CFO)

FOR THE PERIOD

01 March 2018- 30 JUNE 2018



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PERFORMANCE AGREEMENT ENTERED INTO BY AND BETWEEN:

The KGATELOPELE LOCAL MUNICIPALITY herein represented by Mr. MONDE JANUARY in his capacity as Municipal Manager (hereinafter referred to as the Employer or Supervisor)

And

Ms. OPHELIA LOUW in her capacity as Chief Financial Officer: FINANCE DEPARTMENT OF THE KGATELOPELE LOCAL MUNICIPALITY (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The employer has entered into a contract of employment with the employee in terms of section 57 (1) (b) of the local Government: Municipal Systems Act 32 of 2000 (" the systems Act ") The Employer and the Employee are hereinafter referred to as " the parties "

1.3 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.

1.3 The parties wish to ensure that there is compliance with Sections 67(1) (d) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

2.1 Comply with Section 67(1) (d) of the Systems Act;

2.2 specify objectives and targets established for the employee and to communicate to the employee the employer's expectations of the employee's performance expectations and accountabilities;

2.3 specify accountabilities as set out in the "Performance Plan" (Annexure A);

2.4 monitor and measure performance against set targeted outputs;

2.5 use the " Performance Agreement" and "Performance Plan" as the basis for assessing the suitability of the employee for permanent employment and/or to assess whether the employee has met the performance expectations applicable to his/her job.

2.6 Appropriately reward/pay the employee in accordance with the employer's performance management policy in the event of outstanding performance and relationship with the employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION OF AGREEMENT

3.1 This agreement will commence on the 1st of March 2018 and will remain in force until the 30th of June 2018 whereupon a new Performance Agreement, Performance Plan (Annexure A & B) and Personal Development Plan (Annexure C) 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 "May/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 employee'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 (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

4.1 The Performance Plan (Appendix A & B) 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.

4.2 The performance objectives and targets reflected in "Appendix A" would be set by the employer in consultation with the employee and based on the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the employer for a particular financial year, and shall include key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the

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timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives in relation to each other.

4.4 The employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the employer's Integrated Development Plan (IDP).

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The employee agrees to participate in the performance management system that the employer 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 employer, management and municipal staff to perform to the standards required.

5.3 The employer will consult the employee about the specific performance standards that will be included in the performance management system as applicable to the employee.

6. PERFORMANCE AGREEMENT

6. The employee agrees to sign and adhere to the performance conditions and criteria set out in the Performance Agreement and the Performance Plan (Appendices A, B and C) of the municipality.

6.1 The employee undertakes to actively focus towards the promotion and implementation of the KPA's and KPI's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 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 Plan of the Employee (Appendices A and B).

6.2.1 The employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Requirements (CCR's), respectively.

6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.2.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

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6.3 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 (Appendix A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the employer and employee:

APPENDIX A: KEY PERFORMANCE AREAS : (KPA 4)	Weighting
Basic Service delivery	25
Municipal Financial Stability	70
Good Governance	5
TOTAL :	100

6.4 The CCR's will constitute the other 20% of the employee's assessment score. CCR's 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 employer and employee:

APPENDIX B: CORE COMPETENCY REQUIREMENTS (CCR's)		
1. Core Managerial Competencies (CMC's)		Weight
Financial Management		20
Change Management		
Knowledge Management		
Honesty and Integrity		
Problem Solving and Analytical Thinking		5

People and Diversity Management		5
Client Orientation and Customer Focus		5
Communication		20
2. Core Occupational Competencies (COC's)		
Competence in policy conceptualisation , Analysis and implementation		10
Exceptional and dynamic creativity to improve municipality Policy conceptualisation		5
Interpretation of legislative and policy framework		
Mediation skills		
Advanced negotiation skills		10
Advanced influencing skills		
Knowledge of functional municipal fields / disciplines		20
TOTAL		100

7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Appendices A and B) to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the employee's performance; and

7.1.2 The intervals for the evaluation of the employee's performance.

7.2 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.

7.3 Personal growth and development needs to be identified during any performance review discussion and must be documented in a "Personal

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Development Plan" (Appendix C) as well as the actions agreed upon and implementation must take place within set time frames.

7.4 The employee's performance will be measured in terms of contributions to the goals and strategies set out in the employer's IDP and SDBIP.

7.5 The annual performance appraisal/assessment will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

(a) 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.

(b) An indicative rating on a five-point scale should be provided for each KPA.

(c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) will then be used to add the scores and to calculate a final KPA score.

7.5.2 Assessment of the CCR's (CMC's and COC's)

(a) Each CCR should be assessed according to the extent to which the specified standards have been met.

(b) An indicative rating on a five-point scale should be provided for each CCR.

(c) The applicable assessment rating calculator will then be used to add the scores and to calculate a final CCR score.

7.5.3 Overall rating

An overall average rating is calculated by using the applicable assessment-rating calculator which in turn will constitute the final outcome of the performance appraisal/assessment.

7.6 The assessment of the performance of the employee will be based on the following rate scale for KPA's and CCR's:

Level	Terminology	Description	Rating: 1- 5
5.0	Outstanding performance	Performance exceeds by far the standard expected of the employee at this level. The appraisal indicates that the employee has achieved <u>above fully effective results against all performance criteria and indicators as specified in the Performance</u>	

		<u>Plan and maintained this in all areas of responsibility throughout the year.</u>	
4.0 to 4.9	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved <u>above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.</u>	

Level	Terminology	Description	Rating: 1 - 5
3.0 to 3.9	Fully effective	Fully effective Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has <u>fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.</u>	
2.0 to 2.9	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. <u>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.</u>	
1.0 to 1.9	Unacceptable performance	Performance does not meet the standards expected for the job. <u>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 all efforts to encourage improvement.</u>	

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8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of each employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

Appraisals/Assessments will be done during the first two weeks of the new quarter.

First quarter (July – September)

Second quarter (October – December)

Third quarter (January – March)

Fourth quarter (April – June)

8.2 The employer shall keep record of the mid-year review and annual assessments.

8.3 Performance feedback shall be based on the employer's assessment of the employee's performance.

8.4 The employer will be entitled to review and make reasonable changes to the provisions of "Appendices A and B" from time to time for operational reasons. The employee will be fully consulted before any such change is made.

8.5 The employer may amend the provisions of "Appendices A and B" or any other part of the performance plan and performance agreement whenever the performance management system has been changed or amended in which instances the employee will be fully consulted before any such changes are being made.

9. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Appendix C.

10. OBLIGATIONS OF THE EMPLOYER

10.1 The employer shall –

10.1.1

Create an enabling environment to facilitate effective performance by the employee;

10.1.2

Provide access to skills development and capacity building opportunities

10.1.3

Work collaboratively with the employee to solve problems and generate solutions to common problems that may impact on the performance of the employee;

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10.1.4

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

10.1.5

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

11.1

The employer agrees to consult the employee timeously where the exercising of the powers will have amongst others –

11.1.1

A direct effect on the performance of any of the employee's functions;

11.1.2

Commit the employee to implement or to give effect to a decision made by the employer; and

11.1.3

A substantial financial effect on the employer.

11.2

The employer agrees to inform the employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the employee to take any necessary action without delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

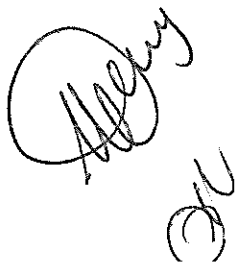
12.1

The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance as per the approved performance policy of the municipality.

12.2

The employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment, only if such a remuneration band exists within the remuneration system of the municipality for the particular post level.

12.3

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In the case of unacceptable performance, the employer shall –

12.3.1

Provide systematic remedial or developmental support to assist the employee to improve his or her performance; and

12.3.2

After appropriate performance counseling 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.

13. GRIEVANCE PROCEDURE

13.1

Any grievance about the nature of the Chief Financial Officer performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

13.1.1 The MUNICIPAL MANAGER: KGATELOPELE LOCAL MUNICIPALITY within thirty (30) days of receipt of a formal dispute from the; or

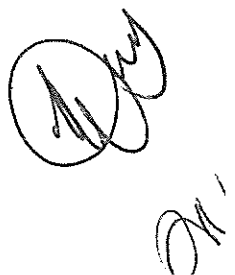
13.1.2 Any other person appointed by the Municipal Manager.

13.2 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of "Appendices A and B" may be made available to the public by the employer.

14.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the employee as the CHIEF FINANCIAL OFFICER: FINANCE DEPARTMENT OF KGATELOPELE LOCAL MUNICIPALITY.

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Thus done and signed at Damelskruin on this 16/04/18
Day of April 2018

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
CFO: MS O LOUW

[Signature]
MUNICIPAL MANAGER: Mr. M JANUARY

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KGATELOPELE LOCAL MUNICIPALITY

PERFORMANCE PLAN for 2017/18 - DIRECTOR: FINANCE (CFO) (Ms. O Louw)

APPENDIX A: KEY PERFORMANCE AREAS (KPA's) and KEY PERFORMANCE INDICATORS (KPI's) = 80%

Key Performance Area	KPI's	Wt	No	Key Performance Indicators		Baseline Information	Annual Target		Quarterly Projections				
				No	Wt		Time Frame	Quantity		3rd Quarter		4th Quarter	
								Number	%	Number	%	Number	%

KPA 1: Basic Service Delivery

Basic Service Delivery	25	1	Provide clean piped water to all formal residential	1	7	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	100%	-	100%
		2	Provide electricity to all formal residential properties	2	7	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	100%	-	100%
		3	Provide basic sanitation services to all residential properties	3	6	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	100%	-	100%
		4	Provision of refuse removal, refuse dumps and solid waste disposal to all residential account holders	4	5	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	100%	-	100%

KPA 2: Municipal Financial Stability

Municipal Financial Stability	70	5	80% Percentage of operating budget revenue raised/received by 30 June 2018	23	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	80%	-	-	-	80%
		6	100% of total Capital Grant funding received by 30 June 2018	24	2.8	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	100%
		7	Indigent Registration	25	2.8	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	100%
		7	100% of Operating Budget Expenditure by 30 June 2018	26	2.8	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	100%
		8	95% Percentage of Total Capital budget spent by 30 June 2018	27	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	95%	1	75%	1	20%
		9	1x Mayoral vehicle to be purchased by 30 June 2018	28	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	-	-	1	100%
		10	1x Cherry Picker to be purchased by 30 June 2018	29	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	-	-	1	100%
		11	1x Meter reading vehicle to be purchased by 30 June 2018	30	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	-	-	1	100%
		12	Compilation a GRAP compliant asset register by 31 August 2017.	31	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	-
		13	4 Quarterly Update of Asset Register by 30 June 2018	32	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	4	100%	1	75%	1	100%
		15	4 quarterly undertaking of stores by 30 June 2018	33	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	4	100%	1	75%	1	100%
		14	Report on list of assets that need to be disposed by 31 January 2018	34	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	1	25%	-	-
		16	Disclose in AFS all monthly reported deviations condoned by Council by 31 August 2017	35	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	-
		17	Formulating of procurement plan by 30 June 2017	36	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	100%
		18	Review Procurement Plan by 31 January 2018	37	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	-	100%	-	-
		19	100% Compliance with the procurement plan by the 30 June 2018	38	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	-	-	-	100%
		20	Compilation of Annual Financial Statements by 31 August 2017	39	2.3	100% Compliance in 2015/16	01/07/2017 - 30/06/2018	1	100%	-	-	1	100%
		21	Submission of Draft Budget to Council for approval by 31 March 2018	40	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	1	100%	-	-
		22	Submission of Adjustment budget to Council for approval by 25 January 2018	41	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	1	100%	-	-
		23	Review of SDBIP by 25 January 2018	42	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	-	100%	-	-	-	-
24	Submission of Monthly Section 71 reports to the Mayor and Treasury 10 working days after the end of each month by 15 July 2018	43	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	12	100%	3	75%	3	100%		
25	4x Section 52 reports submitted quarterly to Council for approval and then submitted to Treasury by 31 July 2018	44	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	4	100%	1	75%	1	100%		
26	Section 72 Report submitted once a year for approval by Council and then to Treasury by 25 January 2018	45	2.3	100% Compliance in 2016/17	01/07/2017 - 30/06/2018	1	100%	1	100%	-	-		

Good Governance and Public Participation

Good Governance and Public Participation.	5	8	10 Monthly Sitings of Finance Comitte by 30 june 2018	67			01/07/2017 - 30/06/2018	1	100%	3	75%	2	100%
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THIS AGREEMENT COVERS THE PERIOD: 01 March 2017 - 30 JUNE 2018
 DATE SIGNED: 26/03/2018
 MUNICIPAL MANAGER: Mr .M January
 CHIEF FINANCIAL OFFICER: (CFO) Ms O Louw

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