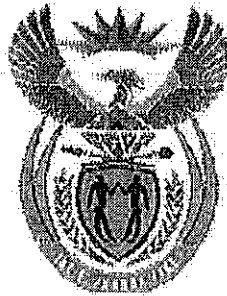


# LIM 345 LOCAL MUNICIPALITY



## PERFORMANCE AGREEMENT

2017/2018

LIM 345 LOCAL Municipality herein represented by

CLLR. BILA TINTSWALO JOYCE,

in his capacity as the Mayor (hereinafter referred to as the  
Employer or Supervisor)

and

NGOBENI TSAKANI CHARLOTTE,

employee of the 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)(a) 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".
- 1.2. 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.
- 1.3. This agreement does not at all replace the Employment Contract signed between the parties.
- 1.4. 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.
- 1.5. 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:

- 2.2 Comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties
- 2.3 Specify objectives in terms of the key performance indicators and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality
- 2.4 Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement
- 2.5 Monitor and measure performance against set targeted outputs
- 2.6 Use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job
- 2.7 In the event of outstanding performance, to appropriately reward the employee
- 2.8 Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery

## 3. Commencement and duration

- 3.1. This Agreement will commence on **01 July 2017** and will remain in force until **30 June 2018 (provided the employment contract signed with the employer is still in force)** thereafter 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

- 3.3 The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than one month after the beginning of each successive financial year
- 3.4 This Agreement will **automatically terminate** on termination of the Employee's contract of employment for any reason
- 3.5 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon
- 3.6 If at any time during the validity of this Agreement the work environment (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 (Annexure A) sets out-
  - 4.1.1. Key Performance Areas that the employee should focus on
  - 4.1.2. Core competencies required from employees
  - 4.1.3. The performance objectives, key performance indicators, projects and targets that must be met by the Employee
  - 4.1.4. The time frames within which those performance objectives and targets must be met
- 4.2. The performance objectives, key performance indicators and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include strategic objectives; key performance indicators, targets, projects and activities that may include dates and weightings. A description of these elements follows:
  - 4.2.1. The strategic objectives describe the strategic intent of the organisation that needs to be achieved
  - 4.2.2. The performance indicators provide the measurement on how a strategic objective needs to be achieved
  - 4.2.3. The target dates describe the timeframe in which the work must be achieved
  - 4.2.4. The weightings show the relative importance of the key performance areas, key objectives, key performance indicators to each other
  - 4.2.5. The activities are the actions to be achieved within a project

#### **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
- 5.4. The Employee undertakes to actively focus towards the promotion and implementation of the KPA's (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, Key Performance Areas and core Competency Requirements, both of which shall be contained in the Performance Agreement.
- 5.5.1. 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 Competency Requirements (CCRs) respectively.
- 5.5.2. KPA's covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.5.3. Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.5.4. The Employee's assessment will be based on his performance in terms of the key performance indicator outputs / outcomes identified as per attached Performance Plan (Annexure 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:

Key Performance Areas	Weighting
Municipal Transformation and Organisational Development	32%
Spatial Rationale	4%
Basic Service Delivery and Infrastructure Development	7%
Local Economic Development (LED)	4%
Municipal Financial Viability and Management	25%
Good Governance and Public Participation	28%

- 5.6. Municipal Manager's responsibilities are directed in terms of the abovementioned key performance areas.
- 5.7. The CCRs will make up the other 20% of the Employee's assessment score. The following CCRs are deemed to be most critical for the Employee's specific job.

# COMPETENCES

COMPETENCES	
Leading Competencies	Weights
Strategic Capability and Leadership	10
Programme and Project Management	10
Financial Management	10
Change Leadership	10
Governance Leadership	10
People Management	10
Core Competencies:	Weights
Moral competence	5
Planning and organising	10
Analysis and Innovation	10
Knowledge and Information Management	5
Results and Quality Focus	10

## 6. Evaluating Performance

6.1. The Performance Plan (Annexure A) to this Agreement sets out:

6.1.1. The standards and procedures for evaluating the Employee's performance

6.1.2. 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

6.4. The Employee's performance will be measured in terms of contributions to the strategic objectives and strategies set out in the Employer's IDP

6.5. The Annual performance appraisal will involve:

6.5.1. 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) Values on actual performance are supplied for KPI's and Activities under each KPA as part of the Institutional Assessment. Based on the Target for an activity or KPI, over or under performance are calculated and converted to the 1-5 point scale. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a chance to motivate for higher scores. The panel members have a chance to ask questions regarding
- (c) The final scores are converted to % Performance by making use of COGTA Performance Assessment Rating Calculator

6.5.2. Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met
- (b) An Indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score
- (d) The score is translated to a final CCR percentage through COGTA Performance Assessment Rating Calculator (refer to paragraph 6.5.1)

6.5.3. Overall rating

An overall rating is calculated by using the Performance Assessment Rating Calculator whereby a weighting of 80% is applied to KPA performance and a weighting of 20% to CCR's.

6.6. The assessment of the performance of the Employee by panel members will be based on the following rating scale for KPA's and CCRs:

The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCRs:				
5	4	3	2	1
<b>Outstanding Performance</b>	<b>Performance Significantly Above Expectations</b>	<b>Fully Effective</b>	<b>Not Fully Effective</b>	<b>Unacceptable Performance</b>
Performance far exceeds the standard expected of an employee at this level.	Performance is significantly higher than the standard expected in the job.	Performance fully meets the standards expected in all areas of the job.	Performance is below the standard required for the job in key areas.	Performance does not meet the standard expected for the job.

6.7. For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established –

6.7.1. Mayor;

- 6.7.2. Chairperson of the Performance Audit Committee or a member of the Performance Audit Committee in the absence of the Chairperson of the Performance Audit Committee;
- 6.7.3. Member of the Executive Committee
- 6.7.4. Mayor or municipal manager from another municipality; and
- 6.7.5. Member of a Ward Committee as nominated by Mayor
- 6.7.6. The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

## **7. Schedule for Performance Reviews**

7.1. The performance of each Employee in relation to the Performance Agreement shall be reviewed within the month following the quarters as indicated with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

- First quarter: July – September 2018
- Second quarter: October – December 2018
- Third quarter: January – March 2019
- Fourth quarter: April – June 2019

7.2. The Employer shall keep a record of the mid-year review and annual 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

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 B.

## **9. Obligations of the Employer**

The Employer shall:

- 9.1. Create an enabling environment to facilitate effective performance by the employee
- 9.2. Provide access to skills development and capacity building opportunities
- 9.3. Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee
- 9.4. On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement

9.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement

**10. Consultation**

- 10.1. The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others –
  - 10.1.1. A direct effect on the performance of any of the Employee's functions
  - 10.1.2. Commit the Employee to implement or to give effect to a decision made by the Employer
  - 10.1.3. A substantial financial effect on the Employer
  - 10.1.4. The Employer 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

**11. Management of Evaluation Outcomes**

- 11.1. The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2. 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 to be constituted as follows:

% Rating Over Performance %	% Rating Over Performance % Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

- 11.3. In the case of unacceptable performance, the Employer shall:
- 11.4. Provide systematic remedial or developmental support to assist the Employee to improve his performance
- 11.5. 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 duties

**12. Dispute Resolution**

12.1. Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee or any other person appointed by the MEC

**13. General**

- 13.1. 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 Employer
- 13.2. 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
- 13.3. The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for local government in the relevant province as well as the National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

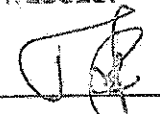
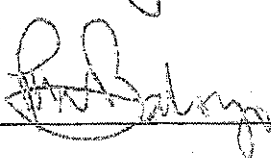
Thus done and signed at Malamulele on this the 2 day of July 2017


**AS WITNESSES:**

1.   
2. 

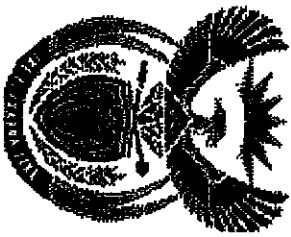
  
NGOEMI TSAKANI CHARLOTTE  
EMPLOYEE

**AS WITNESSES:**

1.   
2. 

  
MAYOR  
CILLR. BILA TSAKANI JOYCE

**LIM345 LOCAL MUNICIPALITY**



**PERFORMANCE PLAN - MUNICIPAL MANAGER**

**2017/18 FINANCIAL YEAR**

**Period: 01/07/2017 - 30/06/2018**

**NAME OF EMPLOYEE: NGOBENI TSAKANI CHARLOTTE**

**1. Purpose**

The performance plan defines the Council's expectations of the Municipal Manager Performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems 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 (IDP) and as reviewed annually.

**2. Key responsibilities**

The following objects of local government will inform the Municipal Manager 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 organisations in the matters of local government.

**3. Key Performance Areas**

The following Key Performance Areas (KPIs) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives listed in the table below:

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

Sound Municipal Institution	Good governance and Administration	# of Executive Committee Meetings convened by 30 June 2018	Executive Committee Meetings held in 2016/17	12 Executive Committee Meetings to be coordinated and supported by 30 June 2018	Executive Committee Meetings	Organizational Executive Committee Meetings as per schedule	LIM 345	Administration	Income	OPEX	1/7/2017	30/6/2018	3 EXCO meetings	3 EXCO meetings	Notices of Invitations, Minutes, Attendance register,	MM
Sound Municipal Institution	Good governance and Administration	# of Executive Committee Meetings to be held by 30 June 2018	Portfolio Committee Meetings held in 2016/17	96 Portfolio Committee Meetings (12 Per Portfolio Committee) by 30 June 2018	Portfolio Committee Meetings	Organizational Executive Committee Meetings as per schedule	LIM 345	Administration	Income	OPEX	1/7/2017	30/6/2018	24 Portfolio Committee Meetings (3 per Portfolio Committee)	24 Portfolio Committee Meetings (3 per Portfolio Committee)	Notices of Invitations, Minutes, Attendance Register	MM

Good Governance	Good Governance	To coordinate 14 risk management activities by 30 June 2018	New Indicator	14 risk activities to be coordinated by 30 June 2018	Risk Management project	Facilitate and coordinate risk management meetings	LIM 345	Administration	Income	OPEX	1/7/2017	30/6/2018	2 risk activities (Development Quarterly Strategic Monitoring Risk Report, Risk Management Committee Meeting held)	3 risk activities (Development Quarterly Strategic Monitoring Risk Report, Report, Operational Risk Assessment Report developed, Risk Management Committee Meeting held)	Attendance register, Minutes and Programme	MM
Good Governance	Good Governance	To develop the Internal Audit	New Indicator	Internal Audit Charter and	Internal Audit Charter and	Develop the Internal Audit	LIM 345	Administration	Income	OPEX	1/4/2018	30/6/2018	N/A	N/A	Internal Audit Charter	MM



	stratio	s to be held by 30 June 2018	New Indicator	Meetings (12 Per Portfolio Committee) by 30 June 2018	Meetings	tee meeting as per schedule	LI M3 45	Admini stratio n	Inc om e	OPEX	1/4/ 2018	30/6/ 2018	Meetin gs (3 per Portfolio Committee) coordin ated	Meeti ngs (3 per Porto folio Commi ttee) coordi nated	Case Register	MM
Good Governance	Good cooperative Governance	% Fraud and Anti Corruption cases attended by 30 June 2018 (# of cases attended/# of cases reported)	New Indicator	100% (# of cases attended/# of cases reported) by June 2018	Fraud and Anti-Corruption	Investig ate allegations of fraud and corruption	LI M3 45	Admini stratio n	Inc om e	OPEX	1/7/ 2017	30/6/ 2018	100% (# of cases attended/# of cases reported)	100% (# of cases attended/# of cases reported)	Case Register	MM
Good Governance	Good cooperative Governance	To submit the three (3) year Internal Audit rolling plan and Annual plan to council for	New Indicator	Approved three (3) year Internal Audit rolling plan and Annual plan by	Internal 1 Audit 3 Year Plan	Develo p the internal audit 3 year plan	LI M3 45	Admini stratio n	Inc om e	OPEX	1/4/ 2018	30/6/ 2018	N/A	N/A	Copy of the plan	MM





Good Governance	Good cooperative Governance	# of Audit and Performance Audit Committee meetings held by 30 June 2018	New Indicator	4 Audit and Performance Committee to be held by 30 June 2018	Audit and Performance Audit Committee	Organizational Audit and Performance Audit Committee meetings	LI M3 45	Administration	Income	OPEX	1/7/2017	30/6/2018	1 Audit and Performance Audit Committee	1 Audit and Performance Audit Committee	Minutes, Attendance register, invitations	MM
Good Governance	Good Corporate Governance	# of Audit and Performance Audit Committee Reports developed and submitted to Council by 30 June 2018	New Indicator	4 Audit and Performance Audit Committee Reports developed and submitted to Council by 30 June 2018	Audit and Performance Audit Committee Reports	Development and Performance Audit Committee Reports	LI M3 45	Administration	Income	OPEX	1/7/2017	30/6/2018	1 Audit and Performance Audit Committee Reports	1 Audit and Performance Audit Committee Reports	Minutes, Attendance register, invitations	MM
Good Governance	Good cooperative Governance	# of Audit Steering Committee meetings held by 30 June 2018	New Indicator	8 Audit Steering Committee meetings held by 30 June 2018	Audit Steering Committee	Organizational Audit Steering Committee meetings	LI M3 45	Administration	Income	OPEX	1/7/2017	30/6/2018	2 Audit Steering Committee	2 Audit Steering Committee	Minutes, Attendance register, invitations	MM





Good Governance	Good Governance	# of Imbizos convened by 30 June 2018	New Indicator		4 Imbizos convened by 30 June 2018	Public Participation	Consult members of the public on service delivery issues	LI M3 45	Administration	Income	OPEX	1/07/2017	30/06/2018	1 Imbizos	1 Imbizos	Attendance register and Programme	MM	
Good Governance	Good Governance	To conduct Customer Satisfaction Survey by 30 June 2018	New Indicator		1 Customer satisfaction Survey conducted by 30 June 2018	Customer Satisfaction Survey	Distribution of Customer Satisfaction Survey questionnaires to collect information on customer satisfaction	LI M3 45	Administration	Income	OPEX	1/07/2017	30/06/2018	Development of Customer Satisfaction Survey Forms and distribute to communities for completion and Compilation report	N/A	100% Disaster cases attended as and when	Assessment reports	MM
Good Governance	Good Governance	% Disaster cases attended to by 30 June 2018	New Indicator		100% (500) Disaster cases attended as and when	Disaster Response coordination	Attending to disaster cases	LI M3 45	Administration	Income	OPEX	1/07/2017	30/06/2018	100% Disaster cases attended as and when	100% Disaster cases attended as and when	Assessment reports	MM	





Institution	and Administration	manager's individual assessment conducted by 30 June 2018	manager's individual assessment conducted 30 June 2018	Assessment	for approval of panel members and dates. Invite the participants to Conduct assessment and compile assessment report.	Assessment 2016/2017	Assessment 2017/2018	Attendance Register

Strategic Direction and leadership	10	
People management	10	
Program and people management	10	
Financial management	10	
Change Leadership	10	
Governance Leadership	10	
<b>Leadership</b>		
Moral competence	10	
Planning and Organising	5	
Analysis and Innovation	5	
Knowledge and Information Management	5	
Communication	10	
Results and Quality focus	5	
<b>TOTAL</b>		<b>100%</b>



## Assessment Ratings

The assessment of performance of the employee will be based on the following rating scale for KPA's and CMC's					
1	2	3	4	5	
Performance does not meet the standard expected for the job	Performance is below the standard required for the job in the key areas	Performance fully meets the standard expected in all areas of the job	Performance is significantly higher than the standard expected in the job	Performance far exceeds the standard expected of an employee at this level	

### ASSESSMENT OF THE ACHIEVEMENT OF RESULTS AS OUTLINED IN THE PERFORMANCE PLAN

1. 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.
2. An indicative rating on the five-point scale should be provided for each KPA
3. The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score

### ASSESSMENT OF CCR'S

1. Each CCR should be assessed according to the extent to which the specified standards have been met.
2. An indicative rating on the five-point scale should be provided for each CCR
3. This rating should be multiplied by the weighting given to each CCR during the contracting process to provide a score.
4. The applicable assessment rating calculator must then be used to add the scores and calculate a final CCR score.

**SUMMARY OF KPA**

<b>KEY PERFORMANCE AREAS</b>	<b>WEIGHTING</b>
Municipal transformation and organisational Development	10
Basic Service Delivery	40
Local Economic Development (LED)	15
Municipal Financial Viability and Management	10
Good Governance and Public Participation	15
Spatial Planning	10

**7. PERSONAL DEVELOPMENT PLANS (PDP)**

Section 29 of the Performance Regulation of 2006, requires that managers must develop personal Development Plan that must address all gaps and this plan must be part of the performance agreement.

This performance is signed in line with the Municipal Finance Management Act 56 of 2003. All 57 Managers are required performance plan and sign performance agreements with the accounting officer.

This performance plan serves as an Annexure to the signed Performance Agreement.

.....  
  
.....  
MUNICIPAL MANAGER

NGOBENI TC

DATE 02/07/2017 .....

.....  
  
.....  
MAYOR

CLLR. BILA TINTSWALO JOYCE

DATE 02/07/2017 .....

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CLLR. BILA TINTSWALO JOYCE

