



**FULL NAMES** : MIKATEKO PALESA MAKHUBELA  
**POSITION** : CHIEF FINANCIAL OFFICER  
**ACCOUNTABLE TO** : MUNICIPAL MANAGER  
**PLAN PERIOD** : 01 JULY 2013 TO 30 JUNE 2014

**DOCUMENTS**

PERFORMANCE PLAN  
PERSONAL DEVELOPMENT PLAN (PDP)  
FINANCIAL DISCLOSURE FORM  
PERFORMANCE AGREEMENT

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## Annexure A

### PERFORMANCE PLAN

#### MAKHADO LOCAL MUNICIPALITY



The *main parts* to this Performance Plan are :

1. Performance Plan overview
2. A statement about the purpose of this position
3. A performance scorecard for Key Performance Indicators(KPI's) per Key Performance Area (KPA's), IDP Objectives, KPI Weighting, Quarterly targets and Evidence required
4. A performance scorecard per Project to be implemented per Key Performance Area, IDP Objectives, Project Weighting, Quarterly Deliverables and Evidence required
5. Competencies
6. Summary Scorecard
7. Rating Scales
8. Assessment Process
9. Approval of Personal Performance Plan

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## PERFORMANCE PLAN OVERVIEW

### **1. PURPOSE**

The performance plan defines the Council's expectations of the Budget and Treasury Director's 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. OBJECTS OF LOCAL GOVERNMENT**

The following objects of local government will inform the Budget and Treasury Director's performance against se. 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 (KPA's) 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 Infrastructure Development and Service Delivery
- 3.3 Local Economic Development (LED)
- 3.4 Municipal Financial Viability and Management
- 3.5 Good Governance and Public Participation



## POSITION PURPOSE

### STRATEGIC VISION

Moving towards a dynamic and progressive centre for socio-economic development by 2025

### STRATEGIC MISSION

To ensure effective utilisation of economic resources to address socio-economic imperatives through mining, tourism and agriculture

### POSITION PURPOSE

#### Position Goal

The Goal of the Position of Budget and Treasury is: to render progressive integrated economic development and organisational development, basic services and infrastructure development, financial viability and management and promotion of good governance within Makhado Local Municipality

#### Position Purpose

(a) The formation and development of an economical, effective and efficient budget and Treasury Department -

- (i) Equipped to carry out the task of implementing the municipality's integrated development plan.
  - (ii) Operating in accordance with the municipality's performance management system.
  - (iii) Responsive to the needs of the local community to participate in the affairs of the municipality;
- (b) The management of the departmental staff in accordance with this Act and other legislation applicable to the municipality;
- (c) The implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan;
- (d) The management of the provision of services to the local community in a sustainable and equitable manner;
- (e) The maintenance of discipline of staff;
- (f) Carrying out the decisions of the council.
- (g) The administration and implementation of the municipality's by-laws and other legislations
- (h) The exercise of any powers and the performance of any duties delegated by the municipal council, or sub-delegated by other delegating authorities of the municipality, to the municipal manager in terms of section 59;
- (i) Facilitating participation by the local community in the affairs of the municipality i.e. Through IDP representative forums
- (j) The implementation of national and provincial legislations applicable to the municipality; and
- (k) The performance of any other function that may be assigned by the municipal manager.

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**The Chief Financial Officer is accountable and responsible for amongst others:**

- (l) Strategic Capability
- (m) Programme and Project Management
- (n) Financial Management
- (o) Change Management
- (p) Knowledge Management
- (q) Service Delivery Innovation
- (r) People and Diversity Management
- (s) Client Orientation and customer Focus
- (t) Communication
- (u) Accountability and Ethical Conduct
- (v) Policy conceptualization and implementation
- (w) Supply Chain Management
- (x) Advanced influencing skills
- (y) Partnership and Stakeholder Relations

## Competencies

Competency	Definitions	Weighting
Strategic Capability and Leadership	Must be able to provide vision, set the direction for the municipality and inspire others in order to deliver on the municipality's mandate	15%
Programme and Project Management	Must be able to plan, manage, monitor and evaluate specific activities in order to ensure that policies are implemented and that Local Government objectives are achieved	5%
Financial Management	Must be able to know, understand and comply with the Municipal Finance Management Act No 56 of 2003	10%
Change Management	Must be able to initiate and support municipal transformation and change in order to successfully implement new initiatives and deliver on service delivery commitments	15%
Knowledge Management	Must be able to promote the generation and sharing of knowledge and learning in order to enhance the collective knowledge of the municipality	10%
Service Delivery Innovation	Must be able to explore and implement new ways of delivering services that contribute to the improvement of municipal processes in order to achieve municipal goals	5%
Problem Solving and Analysis	Must be able to systematically identify, analyse and resolve existing and anticipated problems in order to reach optimum solutions in a timely manner	10%
People and Diversity Management	Must be able to manage and encourage people, optimise their outputs and effectively manage relationships in order to achieve the municipality's goals	10%
Client Orientation and Customer Focus	Must be willing and able to deliver services effectively in order to put the spirit of customer service (Batho Pele) into practice	5%
Communication	Must be able to exchange information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence others to achieve the desired outcomes	5%
Accountability and Ethical Conduct	Must be able to display and build the highest standard of ethical and moral conduct in order to promote confidence and trust in the municipality	10%
<b>Section Total:</b>		<b>100%</b>

*\*These Competencies are dependent on final promulgation of the Guidelines in terms of the Regulations*

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## Summary Scorecard

Position Outcomes / Outputs	KPA Weighting (%)	Assessment Weighting	1 <sup>st</sup> Assessment	2 <sup>nd</sup> Assessment	Total Score
<b>Key Performance Areas</b>					
Municipal transformation and Organisational Development	10%				
Basic Service Delivery	15%				
LED	15%				
Financial Viability	40%				
Good Governance and Public Participation	20%				
<b>Competencies</b>					
					<b>20%</b>

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### RATING SCALE

The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:

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>
<p>Performance far exceeds the standard expected of employee at this level. Appraisal indicates that 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.</p>	<p>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.</p>	<p>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.</p>	<p>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 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.</p>	<p>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.</p>

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## Performance Assessment Process

The following steps will be followed to ensure a fully participative and compliant performance assessment process is adhered to:

1. Performance Assessment
  - 1.1 Formal assessment between employee and employer will take place twice a year to measure the performance of the employee against the agreed performance targets for the half yearly and yearly reviews respectively.
  - 1.2 Progress against the KPI's and Targets will be captured in preparation for the review.
  - 1.3 Scores of 1-5 will be calculated based upon the progress against targets.
  - 1.4 KPI's and activities are audited and copied to the Performance Plans before assessment date.
  - 1.5 The employer must keep a record of the mid-year review and annual assessment meetings.
2. The employee being assessed will compile a portfolio of evidence confirming the level of performance achieved for a given assessment period and made available to the Panel on request. One independent person may be assigned to act as an Observer.
3. The process for determining Employee ratings are as follows:
  - 3.1 The employee to motivate for higher ratings where applicable.
  - 3.2 The panel to rate the achievement for the KPI's on a 5 point scale. Decimal places can be used.
  - 3.3 The panel to rate the employee's core competency requirements (CCR) on the 5 point scale. Decimal places can be used.
  - 3.4 The panel scores are averaged to derive at a total score per KPI/Activity/CCR. Overall scores are calculated by taking weightings into account where the final KPI's rating will account for 80% of the final assessment total. The CCR's are to account for 20% of the final assessment total.
4. The five point rating scale referred to in regulation 805 correspond as follows:
 

Rating:	1	2	3	4	5
% Score:	0-66	67-99	100-132	133-166	167
5. The assessment rating calculator is used to calculate the overall % score for performance.
6. The half-year review rating can be used in combination with the Annual Performance Assessment to derive at a final Annual rating score.
7. The performance bonus percentages described in the performance agreement will be calculated on a sliding scale of the all inclusive remuneration package as indicated in the table below:
 

% Rating Over Performance	% Bonus
130-149%	5-9%
150% and above	10-14%

8. The Personal Development Plan (PDP) can be reviewed after the performance review had been finalised in case where more clarity has been established on what the essential development needs for the relevant person will be.
9. The results of the performance and development review (PDR) will be submitted to the performance audit committee for final approval of the assessment/s.
10. The performance assessment results of the Municipal Manager will also be submitted to the MEC responsible for Local Government in the relevant Province.



## Approval of the Personal Performance Plan

The process followed ensures individual alignment to the strategic intent of the institution and give clear direction on what needs to be achieved through a self-directed approach to execute on the objectives, to build sound relationships, to develop human capital and to strengthen the organisation through excellent performance. This plan has derived from intense work shopping to ensure integration, motivation and self-direction. The employer and employee both have responsibilities and accountabilities in getting value from this plan. Neither party can succeed without the support of the other.

### Undertaking of the Employer / Superior

On behalf of my organisation, I undertake to ensure that a work environment conducive for excellent employee performance is established and maintained. As such, I undertake to lead to the best of my ability, communicate comprehensively, and empower managers and employees. Employees will have access to ongoing learning, will be coached, and will clearly understand what is expected of them. I herewith approve this Performance Plan.

Signed and accepted by the Mayor/Supervisor on behalf of Council:



DATE: 15/07/2013

### Undertaking of the Employee

I herewith confirm that I understand the strategic importance of my position within the broader organisation. I furthermore confirm that I understand the purpose of my position, as well as the criteria on which my performance will be evaluated twice annually. As such, I therefore commit to do my utmost to live up to these expectations and to serve the organisation, my superiors, my colleagues and the community with loyalty, integrity and enthusiasm at all times. I hereby confirm and accept the conditions to this plan.

Signed and accepted by the Employee:



DATE: 2 July 2013

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**MADE AND ENTERED  
INTO BY AND BETWEEN**

**MAKHADO  
MUNICIPALITY**

**AS REPRESENTED BY THE  
MUNICIPAL MANAGER**

**PERSONAL  
DEVELOPMENT  
PLAN (PDP)**

**ISAAC PANDELANI  
MUTSHINYALI**

**AND**

**MIKATEKO PALESA  
MAKHUBELA**

**CHIEF FINANCIAL  
OFFICER**

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**1. INTRODUCTION**

The Aim of the Personal Development Plan (PDP) is to ensure that Employees are skilled to meet Objectives as set out in the Performance management Agreement as prescribed by legislation. Successful career-path planning ensures competent employees for current and possible future positions. It therefore identifies, prioritize and implement training needs.

Legislative needs taken into account comes from the Municipal Systems Act Guidelines: Generic Senior Management Competency Framework and Occupational competency profiles, Municipal Finance Management Competency Regulations, such as those developed by the National Treasury and other line sector departments legislated competency requirements need also be taken into consideration during the PDP process.

**2. COMPETENCE MODELLING**

The DPLG has decided that a competency development model will consist of both managerial and occupational competencies.

Managerial competencies should express those competencies which are generic of all management positions.

Occupational competence refers to competencies which are job/function specific.

**3. COMPILING THE PERSONAL DEVELOPMENT PLAN ATTACHED AS THE APPENDIX**

A manager, in consultation with his/her employee is to compile a Personal Development Plan. The PDP has 7 columns that need to be completed. An example is attached as Appendix A.

**Column 1: Skills/Performance GAP**

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill / development area	7. Support Person
E.g I. Appraise Performance of Managers	The manager will be able to enter into performance agreements with all managers reporting to him / her, appraise them against set criteria, within relevant time frames	A course containing theoretical and practical application with coaching in the workplace following (relevant unit standard?)	External provider in line with identified unit standard and not exceeding R6000	March 200__	Appraisal of managers reporting to him / her	Senior Managers: Training / HR

- (a) The identified training needs should be entered into column one. The following should be taken into consideration:

Organisational needs

Strategic development priorities and competency requirements, in line with the municipality's strategic objectives.

The competency requirements of individual jobs. The relevant job requirements (job competency profile) as identified in the job description should be compared to the current competency profile of the employee to determine the individual's competency gaps. Specific competency gaps as identified during the probation period and performance appraisal of the employee.

Individual training needs that are job/career related

Prioritisation of the training needs (1 to ...) in column 1 should also be determined since it may not be possible to address all identified training needs in a specific financial year. It is however of critical importance that training needs be addressed on a phased and priority basis. This implies that all these needs should be prioritized for purposes of accommodating critical/strategic training and development needs in the HR Plan, Personal Development Plans and the Workplace Skills Plan.

**Column 2: Outcomes Expected**

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators, quantity, quality and time frames)	3. Suggested training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill / development area	7. Support Person
E.g 1. Appraise Performance of Managers	The manager will be able to enter into performance agreements with all managers reporting to him / her, appraise them against set criteria, within relevant time frames	A course containing theoretical and practical application with coaching in the workplace following (relevant unit standard?)	External provider in line with identified unit standard and not exceeding R6000	March 200__	Appraisal of managers reporting to him / her	Senior Managers: Training / HR

Consideration must be given to the outcomes expected in column 2 so that once the intervention is completed the impact it had can be

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measured against relevant output indicators.

**Column 3: Suggested Training**

1..Skills/Performance Gap (in order of priority)	2.Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and/or development activity	4.Suggested mode of delivery	5.Suggested Time Frames	6.Work opportunity created to practice skill / development area	7.Support Person
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Training needs must be identified with due regard to cost effectiveness and listed in column 3.

**Column 4: Suggested mode of delivery**

1..Skills/Performance Gap (in order of priority)	2.Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and/or development activity	4.Suggested mode of delivery	5.Suggested Time Frames	6.Work opportunity created to practice skill / development area	7.Support Person
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The suggested mode of delivery refers to the chosen methodology that is deemed most relevant to ensure transfer of skills. Mode of delivery consists of amongst others, self-study, internal or external training provision, coaching and/or mentoring and exchange programmes. Training must be conducted either in line with a recognized qualification from a tertiary institution or unit standards registered on the National Qualifications Framework (South African Qualifications Authority), which could enable the trainee to obtain recognition towards a qualification for training undertaken. It is important to determine within the municipality whether unit standards have been developed with regard to a specific outcome (and registered with the South African Qualifications Authority). Unit standards usually have measurable assessment criteria to determine achieved competency.

**Column 5: Suggested Time Lines**

1..Skills/Performance Gap (in order of priority)	2.Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and/or development activity	4.Suggested mode of delivery	5.Suggested Time Frames	6.Work opportunity created to practice skill / development area	7.Support Person
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An employee should on average receive at least five days of training per financial year and not unnecessarily be withdrawn from training interventions. The suggested time frames enable managers to effectively plan for the annum e.g. so that not all their employees are away from work within the same period and also ensuring that the PDP is implemented systematically.

**Column 6: Work opportunity created to practice skill/development area**

1..Skills/Performance Gap (in order of priority)	2.Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and/or development activity	4.Suggested mode of delivery	5.Suggested Time Frames	6. Work opportunity created to practice skill / development area	7.Support Person
--	--	--	------------------------------	-------------------------	--	------------------

This further ensures internalization of information gained as well as return on investment (not just a nice to have skill that is used in the workplace).

**Column 7: Support Person**

1..Skills/Performance Gap (in order of priority)	2.Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and/or development activity	4.Suggested mode of delivery	5.Suggested Time Frames	6. Work opportunity created to practice skill / development area	7.Support Person
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This identifies a support person that could act as coach or mentor with regard to the area of learning for the employee.

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## Personal Development Action Plan

1. Skills / Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested training and / or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill / development area	7. Support Person

*(Handwritten Signature)*  
MAYOR

EMPLOYEE'S SIGNATURE: \_\_\_\_\_

MUNICIPAL MANAGER'S

SIGNATURE: *(Handwritten Signature)*

DATE: 2 July 2013

DATE: 15 / 07 / 2013

*(Handwritten mark)*

*(Handwritten mark)*





**FINANCIAL DISCLOSURE  
FORM**

**NAME: MIKATEKO PALESA  
MAKHUBELA**

**MAKHADO MUNICIPALITY**

**STRICTLY CONFIDENTIAL**

FINANCIAL  
DISCLOSURE  
FORM

CONFIDENTIAL  
Appendix C

I, the undersigned (surname and initials) Makhubela MP  
 (Postal address) P.O. box 40  
Diepkloof, 1864  
 (Residential address) 150 Bergview Estate  
 (Position held) CFO  
 (Name of Municipality) Makhado Municipality  
 Tel: 015 519 3210 Fax: 015 516 2407

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.)  
See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
N/A			

2. Directorships and partnerships  
See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of Business	Amount of Remuneration / Income
N/A		

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**3. Remunerated work outside the Municipality**

Must be sanctioned by Council. See information sheet: note (3)

Name of Employer	Type of Work	Amount of remuneration/Income
N/A		

Council \_\_\_\_\_

Signature by Council \_\_\_\_\_ Date \_\_\_\_\_

**4. Consultancies and retainerships**

See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received
N/A			

**5. Sponsorships**

See information sheet: note (5)

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship
N/A		

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6. Gifts and hospitality from a source other than a family member

See information sheet: note (6)

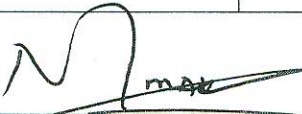
Description	Value	Source
N/A		

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7. Land and property

See information sheet: note (7)

Description	Extent	Area	Value
NA			

  
 \_\_\_\_\_  
 SIGNATURE OF EMPLOYEE  
 DATE: 2013/07/02  
 PLACE: M Akhmed

OATH/  
AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?


Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

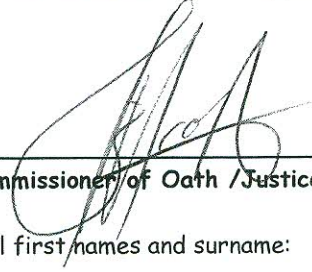
Answer YES

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

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2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

  
\_\_\_\_\_  
Commissioner of Oath / Justice of the Peace  
Full first names and surname:

\_\_\_\_\_  
(Block letters)

Designation (rank) \_\_\_\_\_  
Africa \_\_\_\_\_  
Street address of institution \_\_\_\_\_  
\_\_\_\_\_  
Date \_\_\_\_\_ Place \_\_\_\_\_

**ZUBAIR MOOSA**  
102 PRESIDENT STREET  
PO BOX 1052 LOUIS TRICHAUX  
2013 -07- 02  
COMMISSIONER OF OATHS  
EX OFFICIO  
PRACTISING ATTORNEY  
REPUBLIC OF SOUTH AFRICA

  
\_\_\_\_\_  
CONTENTS NOTED: I.P. MUTSHINYALI  
MUNICIPAL MANAGER

DATE: 15 / 07 / 2013



## INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the attached Financial Disclosure form (Appendix C):

### NOTE 1 SHARES AND OTHER FINANCIAL INTERESTS

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and
- The name of that entity.

### NOTE 2 DIRECTORSHIPS AND PARTNERSHIPS

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
  - The amount of any remuneration received for such directorship or partnership/s.
- Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated.

Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

### NOTE 3 REMUNERATED WORK OUTSIDE THE PUBLIC SERVICE (ALL REMUNERATED EMPLOYMENT MUST BE SANCTIONED PRIOR TO THE WORK BEING DONE)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and
- The amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind.

Work means rendering a service for which the person receives remuneration.

### NOTE 4 CONSULTANCIES AND RETAINERSHIPS

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

### NOTE 5 SPONSORSHIPS

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and
- The value of the sponsorship or assistance.

**NOTE 6**

**GIFTS AND HOSPITALITY FROM A SOURCE OTHER THAN A FAMILY MEMBER**

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

**NOTE 7**

**LAND AND PROPERTY**

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property;
- The area in which it is situated; and
- The value of the interest.

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**MADE AND ENTERED INTO  
BY AND BETWEEN**

**MAKHADO MUNICIPALITY**

**AS REPRESENTED BY THE  
MUNICIPAL MANAGER**

**PERFORMANCE  
AGREEMENT**

**ISAAC PANDELANI  
MUTSHINYALI**

**AND**

**MIKATEKO PALESA  
MAKHUBELA**

**CHIEF FINANCIAL OFFICER**

**FOR THE  
FINANCIAL YEAR  
1 JULY 2013 – 30 JUNE 2014**



**ENTERED INTO BY AND BETWEEN:**

The Makhado Municipality herein represented by I.P Mutshanyali in his capacity as the Municipal Manager (herein later referred to as the Employer or Supervisor)

and

M. P Makhubela, 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 of the Systems Act as amended in 2011, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement within one month after the beginning of each year of the municipality.
  - 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.
  - 1.4 The Parties wish to ensure that there is compliance with Section 57(4A), 57(4B) and 57(5) of the Systems Act.
2. **Purpose of this Agreement**

The purpose of this Agreement is to:

  - 2.1 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.
  - 2.2 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.



- 2.3 Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement.
- 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 her job.
- 2.6 In the event of outstanding performance, to appropriately reward the employee.
- 2.7 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 1 July 2013 and will remain in force until 30 June 2014 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. 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.
- 3.3 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 (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 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 strategic performance indicators provide the details of the evidence that must be provided to show that a key objective has been 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.

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 the 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.
- 5.6 The Employee's assessment will be based on her 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 Area (KPA)	Weighting
Municipal Transformation and Organisational Development	10%
Basic Service Delivery and Infrastructure Development	15%
Local Economic Development	15%
Financial Viability and Management	40%
Good Governance and Public Participation	20%
TOTAL	100%

- 5.7 Manager's responsibilities are also directed in terms of the above-mentioned key performance areas. In the case of

managers directly accountable to the Municipal Manager, other key performance areas related to the functional area of the relevant manager can be added subject to negotiation between the municipal manager and the relevant manager.

- 5.8 The CRRs will make up the other 20% of the Employee's assessment score CCRs 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, Three of the CCRs are compulsory for Municipal Managers.

CORE MANAGERIAL COMPETENCIES <sup>1</sup>	WEIGHTING %
Strategic Capability and Leadership	10%
Programme and Project Management	5%
Financial Management	10%
Change management	10%
Knowledge management	10%
Service Delivery Innovation	10%
Problem Solving and Analysis	10%
People Management and Empowerment	10%
Client Orientation and Customer Focus	10%
Communication	5%
Accountability and Ethical Conduct	10%
TOTAL PERCENTAGE	100%

<sup>1</sup>As published and defined within the Draft Competency Guidelines, Government Gazette 23, March 2007

## 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 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 automatically. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a chance to submit evidence of performance where a disagreement.

(c) The applicable assessment ratings and scores will calculate a final KPA score.

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 applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used

to add the scores and calculate a final CCR score.

### 6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment rating calculator. Such overall rating represents the outcomes of the various weighted ratings contained in the performance plan which represents the outcome of the performance appraisal.

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

Rating	Terminology	Description	% Score
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level	167
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job	133-166
3	Fully effective	Performance fully meets the standards expected in all areas of the job	100-132
2	Performance 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.	67-99
1	Unacceptable Performance	Performance does not meet the standard expected for the job. 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.	0-66

6.7 For the purpose of evaluating the performance of the section 56 manager reporting to the municipal manager, an evaluation panel constituted of the following persons must be established:

- 6.7.1 Municipal Manager
- 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 Municipal Manager from another Municipality.

6.8 The manager responsible for human resources of the Municipality must provide secretarial 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 his/her Performance Agreement shall be reviewed within the month following the quarters as indicated below:

- First Quarter : July-September 2013 (October 2013)
- Second Quarter: October-December 2013 (January 2014)
- Third Quarter : January-March 2014 (April 2014)
- Fourth Quarter: April-June 2014 (July 2014)

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**

9.1 The Employer shall:

9.1.1 Create an enabling environment to facilitate effective performance by the Employee.

9.1.2 Provide access to skills development and capacity building opportunities.

*uj*

*HR*



9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable her to meet the performance objectives and targets established in terms of this Agreement.

9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assist her 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.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 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:

<b>% Rating Over Performance</b>	<b>% Bonus</b>
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:

11.3.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance.

11.3.2 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 terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her 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 –

12.1.1 In the case of managers directly accountable to the municipal manger, the mayor within thirty (30) days of receipt of a formal dispute from the Employee;

12.2 Any disputes about the outcome of the Employee's performance evaluation, must be mediated by –

12.2.1 In the case of managers directly accountable to the municipal manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the Employee.

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 her contact 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 MAKHUBELA on this 2 day of July 2013.

AS WITNESSES:

1.  \_\_\_\_\_

  
\_\_\_\_\_  
EMPLOYEE  
M.P MAKHUBELA

2.  \_\_\_\_\_

AS WITNESSES:

1.  \_\_\_\_\_

  
\_\_\_\_\_  
MUNICIPAL MANAGER  
I.P MUTSHINYALI

2. \_\_\_\_\_



**DEPARTMENT: FINANCE**

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**FOR**

**2013 /14 FINANCIAL YEAR**

**KPA 1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

KEY PERFORMANCE INDICATORS																			
Item No.	Priority Issue	Development Objective	Development Strategies	Key Performance Indicators /Measurable Objective	Annual Performance Targets	Baseline	Project Name	Project Description	Project Code	Location/Ward	Budget	Funding Source	Start Date	Completion Date	Quarterly Targets				Portfolio of Evidence
															1 <sup>st</sup> Quarter Target	2 <sup>nd</sup> Quarter Target	3 <sup>rd</sup> Quarter Target	4 <sup>th</sup> Quarter Target	
<b>Developmental Strategies</b>																			
1	Monthly Meetings	Improved Governance and Organisational Excellence	Conduct monthly meetings	# of departmental meetings held.	12	4	N/A	N/A	N/A	Operational	N/A	N/A	01/07/2013	01/06/2014	3	6	9	12	Agenda, Monthly minutes and Attendance register

**KPA 4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

KEY PERFORMANCE INDICATORS																			
Item No.	Priority Issue	Development Objective	Development Strategies	Key Performance Indicators /Measurable Objective	Annual Performance Targets	Baseline	Project Name	Project Description	Project Code	Location/Ward	Budget	Funding Source	Start Date	Completion Date	1 <sup>st</sup> Quarter Target	2 <sup>nd</sup> Quarter Target	3 <sup>rd</sup> Quarter Target	4 <sup>th</sup> Quarter Target	Portfolio of Evidence
2		Financial viability and management	Revenue Management Review	To review Revenue management instrument by 30 April 2014	Revenue management instruments reviewed	Revenue management instruments reviewed	N/A	N/A	N/A	All wards	Operational	N/A	01/07/2013	30/06/2014	N/A	N/A	N/A	N/A	Reviewed Revenue Management instruments and Council Resolution
3		Financial viability and management	Revenue enhancement	# of conventional electricity meters read p.a.	10 464	10 464	N/A	N/A	N/A	All wards	Operational	N/A	01/07/2013	30/06/2014	2 616	5 232	7 840	10 464	Meter reading Reports
4		Financial viability and management	Revenue Management	5% increase in revenue collected against billing from a baseline of 72%	76%	72%	N/A	N/A	N/A	All wards	Operational	N/A	01/07/2013	30/06/2014	1.25%	2.50%	3.75%	5.00%	Billing and collection/payment Reports

Item No.	Priority Issue	Development Objective	Development Strategies	Key Performance Indicators /Measurable Objective	Annual Performance Targets	Baseline	Project Name	Project Description	Project Code	Location/Ward	Budget	Funding Source	Start Date	Completion Date	Quarterly Targets				Portfolio of Evidence
															1 <sup>st</sup> Quarter Target	2 <sup>nd</sup> Quarter Target	3 <sup>rd</sup> Quarter Target	4 <sup>th</sup> Quarter Target	
<b>Capital Projects</b>																			
5	Expenditure Management	Financial viability and management	Expenditure Management	# of main reconciliations on Ledger accounts compiled	60	60	N/A	N/A	N/A	All wards	Operational	N/A	01/07/2013	30/06/2014	15	30	45	60	1. Salaries & Wages 2. Vat 2013 3. Retentions 4. Creditors Listing 5. Bank Reconciliation
6		Financial viability and management	Budget and Reporting	Draft & Final budget tabled to council by 31 March & 31 May 2014	Draft & Final budget tabled	Draft & Final budget tabled	N/A	N/A	N/A	N/A	Operational	N/A	01/07/2013	30/06/2014	N/A	N/A	Draft & Final budget tabled	N/A	Council Resolution and proof of compliance to MFMA timeframe
7		Financial viability and management	Budget and Reporting	Financial statements compiled and submitted to AG by 31 August 2013	Financial statements compiled and submitted to AG	Financial statements compiled and submitted to AG	N/A	N/A	N/A	N/A	Operational	N/A	01/07/2013	31/12/2013	Financial statements compiled and submit to AG	N/A	N/A	N/A	Pre-audited Financial statements
8		Financial viability and management	Budget and Reporting	# of section 71 reports submitted to Treasury	12	12	N/A	N/A	N/A	N/A	Operational	N/A	01/07/2013	30/06/2014	3	6	9	12	Email acknowledgment delivery receipt within prescribed timeframe

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Item No.	Priority Issue	Development Objective	Development Strategies	Key Performance Indicators / Measurable Objective	Annual Performance Targets	Baseline	Project Name	Project Description	Project Code	Location/Ward	Budget	Funding Source	Start Date	Completion Date	Quarterly Targets				Portfolio of Evidence
															1 <sup>st</sup> Quarter Target	2 <sup>nd</sup> Quarter Target	3 <sup>rd</sup> Quarter Target	4 <sup>th</sup> Quarter Target	
<b>Capital Projects</b>																			
9		Financial viability and management	Budget and Reporting	Mid-year Budget adjustment report submitted to Treasury by end of 1st week of March each year	Mid-year Budget adjustment report submitted to Treasury	Mid-year Budget adjustment report submitted to Treasury	N/A	N/A	N/A	N/A	Operational	N/A	01/07/2013	31/05/2014	N/A	N/A	N/A	Council Resolution	
10				% of tenders adjudicated within 90 days of closure period	100%	100%	N/A	N/A	N/A	All wards	Operational	N/A	01/07/2013	30/06/2014	100%	100%	100%	# of Tenders to be advertised vs actual Tender adjudication reports	
11		Financial viability and management	Supply chain Management	# of monthly inventory reports compiled	12	9	N/A	N/A	N/A	N/A	Operational	N/A	01/07/2013	30/06/2014	3	6	9	12	Certified Inventory reports
12				% compliance to supply chain regulations	100%	80%	N/A	N/A	N/A	N/A	Operational	N/A	01/07/2013	30/06/2014	100%	100%	100%	SCM Checklist of compliance and Reports on procurement	

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Item No.	Priority Issue	Development Objective	Development Strategies	Key Performance Indicators /Measurable Objective	Annual Performance Targets	Project Name	Project Description	Project Code	Location/Ward	Budget	Funding Source	Start Date	Completion Date	Quarterly Targets				Portfolio of Evidence
														1 <sup>st</sup> Quarter Target	2 <sup>nd</sup> Quarter Target	3 <sup>rd</sup> Quarter Target	4 <sup>th</sup> Quarter Target	
<b>Capital Projects</b>																		
<b>KPA :5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>																		
<b>KEY PERFORMANCE INDICATORS</b>																		
13		To cultivate good human resource and career management	Facilitation of departmental employees training	# of employees trained in the department	15	30	N/A	N/A	N/A	Operational	271/2600 91	01/07/2013	01/06/2014	N/A	5	10	15	Attendanc e register, Course content and Facilitator appointment lit
14		Improved Governance and Organisational Excellence	Facilitation of filling vacancies in the department	# of vacancies filled in the department	3	6	N/A	N/A	N/A	Operational	251	01/07/2013	31/05/2014	N/A	3	N/A	N/A	Advert and appointme nt letter
15	Internal Audit	Improved Governance and Organisational Excellence	Internal Auditing	% reduction of Internal Audit findings resolved	100%	61	N/A	N/A	N/A	Operational	010/2600 5	01/07/2013	30/06/2014	100%	100%	100%	100%	Audit tracking Register
16		Improved Governance and Organisational Excellence	External Auditing	% reduction of External Audit findings resolved	100%			N/A	N/A	N/A	Operational	010/2600 5	01/07/2013	30/06/2014	100%	100%	100%	Audit tracking Register
17	Risk Management	Improved Governance and Organisational Excellence	Risk Management	% of risks mitigated and addressed	100%	5	N/A	N/A	N/A	Operational	010/2600 5	01/07/2013	30/06/2014	N/A	NA	N/A	100%	Proof of risk mitigation actions taken per risk resolved & quarterly reports

Handwritten initials/signature.