

**PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN**

**THE THULAMELA MUNICIPALITY AS  
REPRESENTED**

**BY THE MAYOR CLLR. RAMBUDA**

**ATHONGOZWIDIVHA SARA**

**AND**

**MUNICIPAL MANAGER**

**MAKUMULE M.T , THE**

**EMPLOYEE OF**

**THE MUNICIPALITY**

**FOR THE FINANCIAL YEAR:**

**1 JULY 2023 TO 30 JUNE 2024**

**WHEREBY IT IS AGREED AS FOLLOWS:**

**1. INTRODUCTION**

- 1.1 The Municipality has, in terms of Section 56(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 (“the Systems Act”) entered into a contract with the Manager for a period of 3 months, commenced on **1<sup>st</sup> October 2023 – 30 September 2027**
- 1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the Parties, require the Parties to conclude an annual performance agreement.
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Municipal Manager to a set of outcomes that will secure local government policy goals.
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4A), (4B) and (5) of the Systems Act as well as the contract of employment entered into by the Parties.
- 1.5 In this Agreement the following words will have the meaning ascribed thereto:

“This Agreement” - means the performance agreement between the Municipality, the Municipal Manager or Managers directly accountable to Municipal Manager, and the annexure thereto.

“The Executive Authority” - means the Executive Committee of the Municipality constituted in terms of Section 43 of the Local Government: Municipal Structures Act as represented by its chairperson, the Mayor.

“The Manager” – means the Municipal Manager directly accountable to the Mayor in terms of Section 56(a) of the Systems Act.

“The Municipal Manager” – means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, No. 117 of 1998.

“The Municipality” – means the Thulamela Municipality.

“The Parties” - means the Mayor and the Municipal Manager or the Municipal Manager and Managers directly accountable to the Municipal Manager

## **2. PURPOSE OF THIS AGREEMENT**

### **2.1 The Parties agree that the purposes of this Agreement are to:**

- 2.1.1. comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the contract of employment entered into between the Parties;
- 2.1.2. specify objectives and targets defined and agreed with the Mayor and to communicate to the Manager the Municipality's expectations of the Manager's performance and accountability in alignment with the Integrated Development Plan (IDP), the Service Delivery Business Implementation Plan (SDBIP) and the budget of the Municipality;
- 2.1.3. specify accountabilities as set out in Annexure A;
- 2.1.4. monitor and measure performance against targeted outputs and outcomes;
- 2.1.5. use Annexure A, B and C as a basis for assessing the Manager for permanent employment and/or to assess whether the Manager has met the performance expectations applicable to his/her job;
- 2.1.6. appropriately reward the Manager in accordance with the Municipality's performance management policy in the event of outstanding performance;
- 2.1.7. establish a transparent and accountable working relationship; and
- 2.1.8. Give effect to the Municipality's commitment to a performance-orientated relationship with its Manager (Mayor) in attaining equitable and improved service delivery.

## **3. COMMENCEMENT AND DURATION**

- 3.1 Notwithstanding the date of signature this Agreement will commence on the **1<sup>st</sup> of July 2023** and will remain in force until a new performance agreement including a Performance Plan and Personal Development Plan is concluded between the Parties as contemplated in Clause 3.2
- 3.2 The Parties will review the provisions of this Agreement during June each year. The Parties will conclude a new performance agreement including a Performance Plan and Personal Development Plan that replaces this Agreement at least once a year by not later than the 31<sup>st</sup> of July each year.

- 3.3 The payment of the performance bonus is determined by the performance score obtained during the annual performance assessment as informed by the quarterly performance assessments.
- 3.4 The payment of a performance bonus for the year in which the Manager was assessed will be done as set out in clause 3.3 and the bonus will be determined on the last day of the financial year.
- 3.5 In the event of the Manager commencing or terminating his services with the Municipality during the validity period of this Agreement, the Manager's performance for the portion of the period referred to in clause 3.1 during which he was employed, will be evaluated and he will be entitled to a pro rata performance bonus based on his evaluated performance and the period of actual service.
- 3.6 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon by the Parties.
- 3.7 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.
- 3.8 This Agreement will terminate on the termination of the Manager's contract of employment for any reason.

#### **4. PERFORMANCE OBJECTIVES**

- 4.1 The Performance Plan in **Annexure A** sets out:
  - 4.1.1 The performance objectives and targets which must be met by the Manager, and The time frames within which those performance objectives and targets must be met.
- 4.2 The Core Competency Requirements (CCRs) reflected in **Annexure B** set out those management skills regarded as critical to the position held by the Manager.
- 4.3 The Personal Development Plan in **Annexure C** sets out the Manager's personal developmental requirements in line with the objectives and targets of the Municipality.
- 4.4 The performance objectives and targets reflected in Annexure A are set by the Municipality in consultation with the Manager and based on the IDP, SDBIP and the budget of the Municipality, and include key objectives, key performance areas, target dates and weightings.

- 4.5 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 time frame in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.6 The Manager's performance will, in addition, be measured in terms of contributions to the development objectives and strategies set out in the Municipality's Integrated Development Plan.

## **5. PERFORMANCE MANAGEMENT SYSTEM**

- 5.1 The Manager agrees to participate in the performance management system that the Municipality adopts or introduces for the municipal management and municipal staff of the Municipality.
- 5.2 The Manager accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the municipal management and municipal staff to perform to the standards required.
- 5.3 The Executive Authority and/or Mayor will consult the Manager about the specific performance standards that will be included in the performance management system as applicable to the Manager.
- 5.4 The Manager undertakes to actively focus towards the promotion and implementation of his Key Performance Areas as set out in Annexure A including special projects relevant to the Manager's responsibilities within the local government framework.
- 5.5 The Manager undertakes to give respond to Auditor General raised queries within 3 days and address them according to the action plan agreed upon.
- 5.6 The Manager undertakes to file all records and transfer them to record center and same will be available on request by Auditor General in accordance with the archive policy.

## **6. PERFORMANCE ASSESSMENT**

The performance of the Manager will be assessed against the outputs and outcomes achieved in terms of his/her Key Performance Areas (KPA's) as fully described in Annexure A and his/her Core Competency Requirements (CCRs) determined at the

commencement of this Agreement with a weighting of 80:20 allocated to the KPAs and CCRs respectively. Therefore, the KPAs that refer to the main tasks of the Manager account for 80% of his/her assessment while the CCRs make up the other 20% of the Manager's assessment score.

**The weightings agreed to in respect of the Manager's KPAs attached as Annexure A are set out in the table below:**

| <b>KEY PERFORMANCE AREAS (KPAS)</b>                            | <b>WEIGHT</b> |
|--|---------------|
| KPA 1: Municipal Transformation and Organisational Development | 35%           |
| KPA 2: Infrastructure and Basic Service Delivery               | 4%            |
| KPA 3: Local Economic Development                              | 4%            |
| KPA 4: Municipal Financial Viability Management                | 9%            |
| KPA 5: Good Governance and Public Participation                | 44%           |
| KPA 6. Spatial planning  | 4%            |
| <b>TOTAL PERCANTAGE</b>  | <b>100%</b>   |

The assessment of the performance of the Acting Municipal Manager will be based on the following levels for KPAs and CCRs:

| LEVEL | TERMINOLOGY   | DESCRIPTION   | RATING |   |   |   |   |
|-------|---|---|--------|---|---|---|---|
|       |   |   | 1      | 2 | 3 | 4 | 5 |
| 5     | <b>Outstanding Performance</b>                      | Performance far exceeds the standard expected of an Employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout The year.  |        |   |   |   |   |
| 4     | <b>Performance significantly above Expectations</b> | Performance is significantly higher than the standard Expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the Year.  |        |   |   |   |   |
| 3     | <b>Fully effective</b>                              | Performance fully meets the standards expected in all Areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as Specified in the PA and Performance Plan.   |        |   |   |   |   |
| 2     | <b>Not fully effective</b>                          | Performance is below the standard required for the job In key areas. Performance meets some of the Standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified In the PA and Performance Plan.   |        |   |   |   |   |
| 1     | <b>Unacceptable Performance</b>                     | 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. |        |   |   |   |   |

**An indicative rating on the five-point scale should be provided for each KPA and CCR using the following as guidance:**

|   |                                    |
|---|------------------------------------|
| 1 | Unacceptable/poor performance      |
| 2 | Not fully effective/ below average |
| 3 | Fully effective/average            |
| 4 | Above expectations/above average   |
| 5 | Outstanding/excellent performance  |

**Each KPA and CCR 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 to determine which rating on the five-point scale did the Manager achieved. The following criteria could assist:**

|                            |  |
|----------------------------|--|
| <b>Duration of task</b>    | <ul style="list-style-type: none"> <li>✓ Was the target achieved within the projected time frame?</li> </ul>   |
| <b>Level of complexity</b> | <ul style="list-style-type: none"> <li>✓ Required problem solving</li> <li>✓ Reconciling different perceptions</li> <li>✓ Innovative alternatives used</li> </ul>  |
| <b>Cost</b>                | <ul style="list-style-type: none"> <li>✓ within budget</li> <li>✓ saving</li> <li>✓ overspending</li> </ul>  |
| <b>Constraints</b>         | <ul style="list-style-type: none"> <li>✓ Did envisaged constraints materialize?</li> <li>✓ If so, were steps taken to manage/reduce the effect of the constraint?</li> <li>✓ If not, did it beneficially affect the completion of the target?</li> <li>✓ Any innovative/pro-active steps to manage the constraint</li> </ul> |

Annexure "B" may be used as the basis for progress discussions by the Municipality.

An applicable assessment rating calculator must be used to add the KPA and CCR scores and calculate final KPA and CCR percentages.

**7. PANEL AND SCHEDULE FOR PERFORMANCE ASSESSMENTS**

**For purpose of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established:**

- Mayor
- Chairperson of the Audit Committee in the absence of a Performance Audit Committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Executive Mayor or Mayor (observation)

**For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons must be established:**

- Municipal Manager
  - Chairperson of the audit committee in the absence of a performance audit committee;
  - Member of the executive committee responsible for the department;
  - Municipal manager from another municipality
  - Member of a ward committee as nominated by the Municipal manager (observation)
- ✓ Assistant Manager: PMS of the must provide secretariat services to the evaluation panel for the annual performance assessment.

**Schedule for performance reviews:**

- (1) The performance of the employee in relation to his or her performance agreement must be reviewed on the following quarters with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

|                         |   |                    |
|-------------------------|---|--------------------|
| 1 <sup>st</sup> Quarter | : | July - September   |
| 2 <sup>nd</sup> Quarter | : | October - December |
| 3 <sup>rd</sup> Quarter | : | January - March    |
| 4 <sup>th</sup> Quarter | : | April - June       |

- (2) The employer must keep a record of the mid-year review and annual assessment meetings.
- (3) Performance feedback must be based on the employer's assessment of the employee's performance.
- (3) The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.
- (5) The employer may amend the provisions of the performance plan whenever the performance management system is adopted, implemented and/or amended as the case may be on agreement between both parties.

## 8. EVALUATING PERFORMANCE

The Municipal Manager will submit quarterly performance reports and a comprehensive annual performance report prior to the performance assessment meetings to the Mayor.

The Mayor will give performance feedback to the Manager after each quarterly and the annual assessment meetings.

The evaluation of the Manager's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

At the end of the 4<sup>th</sup> quarter, the Executive Authority will determine if the Municipal Manager is eligible for a performance bonus as envisaged in his/her contract of employment.

A performance bonus of between 5% and 14% of the all-inclusive remuneration package may be paid to the Manager in recognition of above average or outstanding performance, which is constituted as follows:

- ✓ **A score of 150% and above is awarded a performance bonus ranging from 10% to 14%; and**

- ✓ A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%
- ✓ A score of 115% to 129% , no performance bonus will be awarded
- ✓ A score of 100% to 114% , no performance bonus will be awarded
- ✓ A score of 70% to 99% , no performance bonus will be awarded

The results of the annual assessment and the scoring report of the Municipal Manager for the purposes of bonus allocation, if applicable, will be submitted to the Executive Committee for a recommendation to the full Council.

Personal growth and development needs identified during any performance assessment discussion, must be documented in the Municipal Manager's Personal Development Plan as well as the action steps and set time frames agreed to.

Despite the establishment of agreed intervals for assessment, the Mayor may, in addition, review the Municipal Manager's performance at any stage while his contract of employment remains in force.

The Mayor will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Manager will be fully consulted before any such change is made.

The provisions of Annexure "A" may be amended by the Executive Committee when the Municipality's performance management system is adopted, implemented and/or amended as the case may be subject to clause 5.3.

## 9. OBLIGATIONS OF THE MUNICIPALITY

The Municipality will create an enabling environment to facilitate effective performance by the Manager.

The Manager will be provided with access to skills development and capacity building opportunities.

The Municipality will work collaboratively with the Manager to solve problems and generate solutions to common problems that may impact on the performance of the Manager.

The Municipality will make available to the Manager such resources including employees as the Manager may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement; provided that it will at all times remain the responsibility of the Manager to ensure that he complies with those performance obligations and targets.

The Manager will, at his request, be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this Agreement.

## **10. CONSULTATION**

### **10.1 The Mayor agrees to consult the Manager within a reasonable time where the exercising of the Executive Committee's powers will:**

- 10.1.1 Have a direct effect on the performance of any of the Manager's functions;
  - 10.1.2 Commit the Manager to implement or to give effect to a decision made by the Executive Committee;
  - 10.1.3. Have a substantial financial effect on the Municipality.
- 10.2 The Mayor agrees to inform the Manager 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 Manager to take any necessary action without delay.

## **11. CONSEQUENCE OF UNACCEPTABLE OR POOR PERFORMANCE**

- 11.1 Where the Mayor is, at any time during the Municipal Manager's employment, not satisfied with the Manager's performance with respect to any matter dealt with in this Agreement, the Mayor will give notice to the Manager to attend a meeting with the Mayor.

- 11.2 The Manager will have the opportunity at the meeting to satisfy the Mayor of the measures being taken to ensure that the Manager's performance becomes satisfactory in accordance with a documented programmed, including any dates, for implementing these measures.
- 11.3 The Municipality will provide systematic remedial or developmental support to assist the Manager to improve his performance.
- 11.4 If, after appropriate performance counseling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Mayor holds the view that the performance of the Manager is not satisfactory, the Municipal Council will, subject to compliance with applicable labor legislation, be entitled by notice in writing to the Manager, to terminate the Manager's employment in accordance with the notice period set out in the Manager's contract of employment.
- 11.5 Where there is a dispute or difference as to the performance of the Manager under this Agreement, the Parties will confer with a view to resolving the dispute or difference.
- 11.6 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Manager's contract of employment with or without notice for any other breach by the Manager of his obligations to the Municipality or for any other valid reason in law.

## 12. DISPUTES

- 12.1 In the event that the Manager is dissatisfied with any decision or action of the Executive Committee and/or Mayor in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of this Agreement, the Manager may meet with the Mayor with a view to resolving the issue. At the Manager's request the Mayor will record the outcome of the meeting in writing.
- 12.2 If any dispute about the nature of the Manager's performance agreement whether it relates to key responsibilities, priorities, methods of assessment or any other matter provided for cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by the Mayor within thirty (30) days of receipt of a formal dispute from the Manager whose decision shall be final and binding on both Parties.
- 12.3 If any dispute about the outcome of the Manager's performance evaluation cannot be resolved through an internal mechanism as contemplated above, the dispute will be

mediated by a member of the Council, provided that such member was not part of the evaluation panel provided for in clause 7 within thirty (30) days of receipt of a formal dispute from the Manager whose decision shall be final and binding on both Parties.

- 12.4 In the event that the mediation process contemplated above fails, the relevant arbitration clause of the contract of employment will apply.


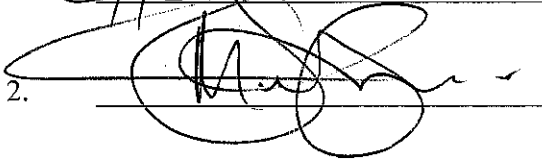
**13. GENERAL**

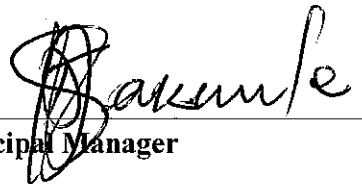
- 13.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential, and may be made available to the public by the Municipality.

13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Manager in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Signed at Thohoyandou on 13 / 07 / 2023

As Witnesses:

1.   
2. 






Municipal Manager

Thulamela Municipality

Signed at Thohoyandou on 13 / 07 / 2023

As Witnesses:

1.   
2. 

  
Mayor:

Thulamela Municipality

**ANNEXURE A**  
**THULAMELA LOCAL MUNICIPALITY**



**PERFORMANCE PLAN –MUNICIPAL MANAGER**

**2023/24 FINANCIAL YEAR**

**PERIOD: 01/07/2023 – 30/06/2024**

**NAME OF EMPLOYEE: MAKUMULE M.T**

**1. Purpose**

The performance plan defines the Council's expectations of the Municipal Manager'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. Key responsibilities**

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

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community 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 Basic Service Delivery
- 3.3 Local Economic Development (LED).
- 3.4 Municipal Financial Viability and Management.
- 3.5 Good Governance and Public Participation.

| <b>LEADING COMPETENCIES</b>           |               |
|---------------------------------------|---------------|
| <b>Core Competencies</b>              | <b>Weight</b> |
| Strategic Direction and leadership    |               |
| People management                     |               |
| Program and people management         |               |
| Financial management                  |               |
| Change Leadership                     |               |
| Governance Leadership                 |               |
|                                       |               |
| <b>Core occupational Competencies</b> | <b>Weight</b> |
| Moral competence                      |               |
| Planning \and Organising              |               |
| Analysis and Innovation               |               |
| Knowledge and Information Management  |               |
| Communication                         |               |
| Results and Quality focus             |               |
|                                       | <b>100%</b>   |

Assessment Ratings

| <b>The assessment of performance of the employee will be based on the following rating scale for KPA's and CMC's</b> |   |   |   |  |
|--|---|---|---|--|
| <b>1</b>   | <b>2</b>  | <b>3</b>  | <b>4</b>  | <b>5</b>   |
| <b>Unacceptable performance</b>  | <b>Not fully effective</b>  | <b>Fully effective</b>  | <b>Performance significantly Above expectations</b>                       | <b>Outstanding performance</b>   |
| 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 be used to add the scores and calculate a final KPA score

**ASSESSMENT OF CCR'S**

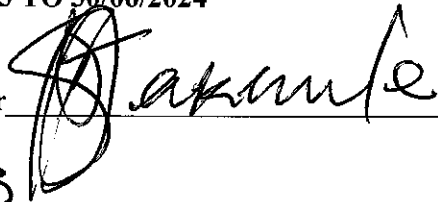
1. Each CCR should be assessed according to the extent to which the specified standards have been met.
2. An indicative rating on the five-point scale should be provided for each CCR
3. This rating should be multiplied by the weighting given to each CCR during the contracting process to provide a score.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

| <b>SUMMARY OF KPA</b>                                   |                  |
|---|------------------|
| <b>KEY PERFORMANCE AREAS</b>                            | <b>WEIGHTING</b> |
| Municipal transformation and organisational Development | 35%              |
| Infrastructure and Basic Service Delivery               | 4%               |
| Local Economic Development (LED)                        | 4%               |
| Municipal Financial Viability and Management            | 9%               |
| Good Governance and Public Participation                | 44%              |
| Spatial planning  | 4%               |
|   | <b>100%</b>      |

**PERFORMANCE PLAN FOR MUNICIPAL MANAGER FOR THE PERIOD:**

**01/07/2023 TO 30/06/2024**

Signed and accepted by Municipal Manager



Date: 13.07.2023

Signed by the Mayor on behalf of the Thulamela Municipality



Date: 31/07/2023

| KPI NO. | KEY PERFORMANCE AREA                                    | WEIGHT | STRATEGIC OBJECTIVE  | PROGRAMME / FOCUS AREA            | WARD / DEPT | PERFORMANCE INDICATORS  | BASELINE 2022/23 | MUNICIPAL MANAGER DEPARTMENT 2023/24  |   |  |  |   | BUDGET   | EVIDENCE   |                    |                    |                    |
|---------|---|--------|--|-----------------------------------|-------------|---|------------------|---|---|--|--|---|----------|--|--------------------|--------------------|--------------------|
|         |   |        |  |                                   |             |   |                  | ANNUAL TARGET   |   |  |  | QUARTERLY TARGETS   |          |  |                    |                    |                    |
|         |   |        |  |                                   |             |   |                  | 1st Quarter Target  | 2nd Quarter Target                                | 3rd Quarter Target   | 4th Quarter Target   | 1st Quarter Target  |          |  | 2nd Quarter Target | 3rd Quarter Target | 4th Quarter Target |
| MM 01   | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | 35%    | To improve organizational performance by fostering accountability by June 2024         | MM                                | N/A         | Number of departmental meetings to be conducted by June 2024                          | 11               | 10 departmental meetings to be conducted by June 2024                         | 3 departmental meetings to be conducted           | 2 departmental meetings to be conducted                        | 2 departmental meetings to be conducted                                    | 3 departmental meetings to be conducted                                     | OPEX     | Minutes of the meetings; attendance register                           |                    |                    |                    |
| MM 02   |   |        | To improve organizational performance by fostering accountability by June 2024         | MM                                | N/A         | Number of Top Management meetings to be conducted each quarter by June 2024           | 11               | 12 Top Management meetings to be conducted by June 2024                       | 3 Top Management meetings to be conducted         | 3 Top Management meetings to be conducted                      | 3 Top Management meetings to be conducted                                  | 3 Top Management meetings to be conducted                                   | OPEX     | Attendance register and Minutes of the meetings                        |                    |                    |                    |
| MM 03   |   |        | To improve organizational performance by fostering accountability by June 2024         | Risk Management                   | N/A         | Number of security radio to be purchased by June 2024                                 | New indicated    | Purchasing of 1 security radio by June 2024                                   | N/A   | Specification & advertisement                                  | Appointment of service provider/ order                                     | Purchasing of 1 security radio  | R100 000 | Specification, advert, Appointment letter/ order, Proof of payment     |                    |                    |                    |
| MM 04   |   |        | To improve organizational performance by fostering accountability by June 2024         | Risk Management                   | N/A         | Number of metal detector scanners to be purchased by June 2024                        | New indicated    | Purchasing of 11 metal detector scanners by June 2024                         | N/A   | Appointment of service provider/ order                         | Purchasing of 11 metal detector scanners                                   | N/A   | R50 000  | Specification, advert, Appointment letter/ order, Proof of payment     |                    |                    |                    |
| MM 05   |   |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Legal and Administrative services | N/A         | Percentage of litigation cases to be attended each quarter by June 2024               | 100%             | 100% of litigation cases to be attended each quarter by June 2024             | 100% litigation cases to be attended each quarter | 100% litigation cases to be attended each quarter              | 100% litigation cases to be attended each quarter                          | 100% litigation cases to be attended each quarter                           | OPEX     | Signed report by the senior manager (municipal manager)                |                    |                    |                    |
| MM 06   |   |        | To improve organizational performance by fostering accountability by June 2024         | Organizational PMS                | 1           | Number of Annual Performance Report to be prepared & submitted to AGSA by August 2023 | 1                | 1 Annual Performance Report to be prepared & submitted to AGSA by August 2023 | N/A   | 1 Annual Performance Report to be prepared & submitted to AGSA | N/A  | N/A   | OPEX     | Council resolution and proof of submission                             |                    |                    |                    |
| MM 07   |   |        | To improve organisational performance by fostering accountability by June 2024         | Organizational PMS                | N/A         | Number of Annual Report 2022/23 to be tabled and approved by council by March 2024    | 1                | 1 Annual Report 2022/23 to be tabled and approved by council by March 2024    | N/A   | N/A  | 1 Annual Report 2022/23 to be tabled and approved by council by March 2024 | N/A   | OPEX     | Council resolution   |                    |                    |                    |
| MM 08   |   |        | To improve organisational performance by fostering accountability by June 2024         | Organizational PMS                | 1           | Conducting Section 54A and 56 managers individual assessment by June 2024             | 1                | Conducting Section 54A and 56 managers individual assessment by June 2024     | N/A   | N/A  | N/A  | Conducting Section 54A and 56 managers individual assessment by June 2024   | OPEX     | Assessment report  |                    |                    |                    |
| MM 09   | GOOD GOVERNANCE AND PUBLIC PARTICIPATION                | 44%    | To provide an effective risk, audit and legal support to the municipality by June 2024 | Risk Management                   | N/A         | Number of risk registers to be developed (strategic & operational) by June 2024       | 2                | 2 risk registers to be developed (1 strategic & 1 operational) by June 2024   | N/A   | N/A  | N/A  | 2 risk registers to be developed (1 strategic & 1 operational) by June 2024 | OPEX     | Strategic risk register; Operational risk register/ Council resolution |                    |                    |                    |
| MM 10   |   |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Risk Management                   | N/A         | Number of Risk management reports to be completed by June 2024                        | 4                | 4 Risk management reports to be completed by June 2024                        | 1 Risk management report to be completed          | 1 Risk management report to be completed                       | 1 Risk management report to be completed                                   | 1 Risk management report to be completed                                    | OPEX     | Risk management report   |                    |                    |                    |

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| MUNICIPAL MANAGER DEPARTMENT 2023/24 |                      |        |  |                         |            |   |                  |   |                    |                    |  |                    |        |   |
|--------------------------------------|----------------------|--------|--|-------------------------|------------|---|------------------|---|--------------------|--------------------|--|--------------------|--------|---|
| KPI NO.                              | KEY PERFORMANCE AREA | WEIGHT | STRATEGIC OBJECTIVE  | PROGRA MME / FOCUS AREA | WARD/ DEPT | PERFORMANCE INDICATORS  | BASELINE 2022/23 | ANNUAL TARGET   | QUARTERLY TARGETS  |                    |  |                    | BUDGET | EVIDENCE  |
|                                      |                      |        |  |                         |            |   |                  |   | 1st Quarter Target | 2nd Quarter Target | 3rd Quarter Target   | 4th Quarter Target |        |   |
| MM 11                                |                      |        | To improve organisational performance by fostering accountability by June 2024         | Internal Audit          | N/A        | Tabling of AG action plan on issues raised by the Auditor-General to council by March 2024  | 1                | Tabling of AG action plan on issues raised by the Auditor-General to council by March 2024  | N/A                | N/A                | Tabling of AG action plan on issues raised by the Auditor-General to council   | N/A                | OPEX   | Council resolution                                    |
| MM 12                                |                      |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Risk Management         | N/A        | Number of Risk Management Implementation Plan, 1 Risk Policy, 1 Risk Management Strategy, 1 Whistle Blowing Policy and 1 Anti-Fraud and Corruption Strategy to be reviewed and approved by council by June 2024 | 5                | 1 Risk Management Implementation Plan, 1 Risk Policy, 1 Risk Management Strategy, 1 Whistle Blowing Policy and 1 Anti-Fraud and Corruption Strategy to be reviewed and approved by council by June 2024 | N/A                | N/A                | 1 Risk Management Implementation Plan, 1 Risk Policy, 1 Risk Management Strategy, 1 Whistle Blowing Policy and 1 Anti-Fraud and Corruption Strategy to be reviewed and approved by council | N/A                | OPEX   | Council resolution                                    |
| MM 13                                |                      |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Internal Audit          | N/A        | Number of Internal Audit Manual (Internal Audit Charter and 1 Methodology) to be reviewed and approved by Audit Committee by June 2024  | 2                | Internal Audit Manual (1 Internal Audit Charter and 1 Methodology) to be reviewed and approved by Audit Committee by June 2024  | N/A                | N/A                | Internal Audit Manual (1 Internal Audit Charter and 1 Methodology) to be reviewed and approved by Audit Committee  | N/A                | OPEX   | Minutes of the meetings; attendance register          |
| MM 14                                |                      |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Internal Audit          | N/A        | Number of internal audit quarterly reports to be compiled by June 2024  | 1                | 1 Internal audit plan to be reviewed and approved by Audit Committee by June 2024   | N/A                | N/A                | 1 Internal Audit Plan to be reviewed and approved by Audit performance Committee   | N/A                | OPEX   | Audit performance committee report/Council resolution |
| MM 15                                |                      |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Internal Audit          | N/A        | Number of internal audit quarterly reports to be compiled by June 2024  | 4                | 4 internal audit quarterly reports to be compiled by June 2024  | N/A                | N/A                | 1 internal audit quarterly report to be compiled   | N/A                | OPEX   | Internal audit quarterly reports                      |
| MM 16                                |                      |        | To provide an effective risk, audit and legal support to the municipality by June 2024 | Internal Audit          | N/A        | Number of Audit & performance Committee reports to be submitted and approved by council by June 2024  | 3                | 4 Audit & performance committee reports to be submitted and approved by council by June 2024  | N/A                | N/A                | 1 Audit & performance committee report to be submitted and approved by council   | N/A                | OPEX   | Audit committee report/Council resolution             |
| MM 17                                |                      |        | To improve organisational performance by fostering accountability by June 2024         | MM                      | N/A        | Number of MPAC resolution implementation reports to be compiled by June 2024  | 3                | 4 MPAC resolution implementation reports to be compiled by June 2024  | N/A                | N/A                | 1 MPAC resolution implementation report to be compiled   | N/A                | OPEX   | Resolution register/MPAC report/council resolution    |
| MM 18                                |                      |        | To improve organisational performance by fostering accountability by June 2024         | MM                      | N/A        | Frequent Monitoring of the departmental attendance register by June 2024  | 1                | Weekly Monitoring of the departmental attendance register by June 2024  | N/A                | N/A                | Weekly Monitoring of the departmental attendance register  | N/A                | OPEX   | Attendance register                                   |

MUNICIPAL MANAGER DEPARTMENT 2023/24

| REV NO. | KEY PERFORMANCE AREA                            | WEIGHT | STRATEGIC OBJECTIVE  | PROGRA MME / FOCUS AREA | WARD/ DEPT | PERFORMANCE INDICATORS   | BASELINE 2022/23  | ANNUAL TARGET  | QUARTERLY TARGETS  |   |   |  | BUDGET         | EVIDENCE                                |
|---------|---|--------|--|-------------------------|------------|--|-------------------|--|--|---|---|--|----------------|---|
|         |   |        |  |                         |            |  |                   |  | 1st Quarter Target   | 2nd Quarter Target  | 3rd Quarter Target  | 4th Quarter Target   |                |   |
| MM 19   | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT    | 9%     | To ensure compliance with the MFMA and Municipal Budget and Regulations by June 2024   | MM                      | N/A        | Percentage of Municipal capital budget to be spent on infrastructure projects (organisational) by June 2024  | 53%               | 100% of Municipal capital budget to be spent on infrastructure projects (organisational) by June 2024  | 25 % of Municipal capital budget to be spent on infrastructure projects (organisational) | 50% of Municipal capital budget to be spent on infrastructure projects (organisational) | 75% of Municipal capital budget to be spent on infrastructure projects (organisational) | 100% of Municipal capital budget to be spent on infrastructure projects (organisational)                               | CAPEX          | Expenditure report                      |
| MM 20   |   |        | To ensure compliance with the MFMA and Municipal Budget and Regulations by June 2024   | MM                      | N/A        | Percentage of municipal capital budget to be spent on infrastructure projects (departmental) by June 2024  | 18%               | 100% of municipal capital budget to be spent on infrastructure projects (departmental) by June 2024  | 25 % of municipal capital budget to be spent on infrastructure projects (departmental)   | 50 % of municipal capital budget to be spent on infrastructure projects (departmental)  | 75% of municipal capital budget to be spent on infrastructure projects (departmental)   | 100% of municipal capital budget to be spent on infrastructure projects (departmental)                                 | CAPEX          | Expenditure report                      |
| MM 21   | INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY | 4%     | To provide Infrastructure and Sustainable Basic services   | MM                      | 41         | Number of km of internal streets to be upgraded from gravel to asphalt coupled with storm water within R293 towns (Mantini K to L) by June 2024 (multi year) | Tender evaluation | Monitoring the upgrading of 2 km internal streets from gravel to asphalt coupled with storm water within R293 towns (Mantini K to L) by June 2024 (multi year) | Monitoring the appointment of Site contractor and Site establishment                     | Monitoring of 1,5 km of box cutting and 0,5 km of subbase stabilised                    | Monitoring of 0,5 km of asphalt surfacing   | Monitoring of 1,5 km of asphalt surfacing  | R20 000 040,00 | Minutes of meetings progress report     |
| MM 22   | LOCAL ECONOMIC DEVELOPMENT                      | 4%     | To provide Infrastructure and Sustainable Basic services   | MM                      | 3          | Construction of Tshilamba Arts Centre by June 2024   | Brickwork         | Monitoring of construction of Tshilamba Arts Centre by June 2024   | Monitoring of construction of Tshilamba Arts Centre                                      | N/A   | N/A   | N/A  | R 4 939 231    | Minutes of the meeting; Progress report |
| MM 23   | SPATIAL PLANNING                                | 4%     | To ensure integration in rural, urban development and land use control in order to promote sustainable integrated Spatial development by June 2024 | MM                      | N/A        | Number of sites to be demarcated within Thulamela by June 2024   | 1000              | Monitoring of 1000 sites to be demarcated within Thulamela by June 2024  | N/A  | Monitoring of detailed survey   | Monitoring of design of layout plan & public participation                              | Monitoring of approval of layout plans and preparation of general plans & 1000 sites to be demarcated within Thulamela | R9 000 000     | Minutes of the meeting; progress report |

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## ANNEXURE B

The weightings agreed to in respect of the CCRs considered most critical for the Manager's position are set out in the table below:

### CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR) LEADING COMPETENCIES

|                                    |   | Weight |
|------------------------------------|---|--------|
| Strategic Direction and Leadership | <ul style="list-style-type: none"> <li>• Impact and Influence</li> <li>• Institutional Performance Management</li> <li>• Strategic Planning and Management</li> <li>• Organizational Awareness</li> </ul>         | 10     |
| People Management                  | <ul style="list-style-type: none"> <li>• Human Capital Planning and Development</li> <li>• Diversity Management</li> <li>• Employee Relations Management</li> <li>• Negotiation and Dispute Management</li> </ul> | 10     |
| Program and Project Management     | <ul style="list-style-type: none"> <li>• Program and Project Planning and Implementation</li> <li>• Service Delivery Management</li> <li>• Program and Project Monitoring and Evaluation</li> </ul>               | 15     |
| Financial Management               | <ul style="list-style-type: none"> <li>• Budget Planning and Execution</li> <li>• Financial Strategy and Delivery</li> <li>• Financial Reporting and Monitoring</li> </ul>  | 10     |
| Change Leadership                  | <ul style="list-style-type: none"> <li>• Change Vision and Strategy</li> </ul>  | 15     |

|                                      |  |             |
|--------------------------------------|--|-------------|
|                                      | <ul style="list-style-type: none"> <li>• Process Design and Improvement</li> <li>• Change Impact Monitoring and Evaluation</li> </ul>              |             |
| Governance Leadership                | <ul style="list-style-type: none"> <li>• Policy Formulation</li> <li>• Risk and Compliance Management</li> <li>• Cooperative Governance</li> </ul> | 10          |
|                                      |  |             |
| <b>Core Competencies</b>             |  |             |
| Moral Competence                     |  | 5           |
| Planning and Organising              |  | 5           |
| Analysis and innovation              |  | 5           |
| Knowledge and information Management |  | 5           |
| communication                        |  | 5           |
| Results and Quality Focus            |  | 5           |
|                                      |  |             |
| <b>Total Percentage</b>              |  | <b>100%</b> |

## ANNEXURE C: PERSONAL DEVELOPMENT PLAN

| Competency Profile of the jobs  | Incumbent competency available         | Skills/Performance Gap (in order of priority)       | Suggested training and/or development activity | Suggested mode of delivery | Suggested Time Frames | Budget available for suggested training |
|---|--|---|--|----------------------------|-----------------------|---|
| <ul style="list-style-type: none"> <li>• Advanced knowledge and understanding of relevant policy and legislation.</li> <li>• Advanced understanding of institutional governance systems and performance management.</li> <li>• Advanced understanding of council operations and delegation of power.</li> <li>• Managing communication between office bearers and employees of the municipality.</li> <li>• Administer and oversee the implementation of municipality policies, by-law and other</li> </ul> | Masters of Town & Regional Planning    | Governance & oversight / Policy Strategy & Planning | Leadership in Municipal Governance             | Short Course               | 6 months              | Available                               |
|   | B-Tech in Land Surveying               | Contract Management                                 | Contract Management                            | Short Course               | 5 days                | Available                               |
|   | Advanced Diploma in Project Management | Negotiation Skills                                  | Negotiation skills                             | Short Course               | 3 days                | Available                               |
|   | Senior Management Development          |   |  |                            |                       |   |
|   | Municipal Finance Management           |   |  |                            |                       |   |

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|--|--|--|--|--|--|--|
| <p>relevant provincial and national legislation.<br/>Ensuring sound management of all assets, income and expenditure of municipality.<br/>Discharging liabilities of the municipality in an effective manner.</p> <ul style="list-style-type: none"><li>• Implementing the strategic goals for the municipality through co-operative and innovative teamwork.</li><li>• Oversee the management of all equipments and capital resources to ensure accountability by all department.</li></ul> |  |  |  |  |  |  |
|--|--|--|--|--|--|--|

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# ANNEXURE D: CODE OF CONDUCT

## SCHEDULE 2

### CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

#### 1. Definitions

In this Schedule “**partner**” means a person who permanently lives with another person in a manner as if married.

#### 2. General conduct

A staff member of a municipality must at all times—

- (a) Loyal execute the lawful policies of the municipal council;
- (b) Perform the functions of office in good faith, diligently, honestly and in a transparent manner;
- (c) Act in such a way that the spirit, purport and objects of section 50 are promoted;
- (d) Act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; and
- (e) Act impartially and treat all people, including other staff members, equally without favour or Prejudice.

#### 3. Commitment to serving the public interest

A staff member of a municipality is a public servant in a developmental local system, and must Accordingly—

- (a) Implement the provisions of section 50 (2);
- (b) Foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
- (c) Promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
- (d) obtain copies of or information about the municipality’s integrated development plan, and as far as possible within the ambit of the staff member’s job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
- (e) Participate in the overall performance management system for the municipality, as well as the staff member’s individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

#### **4. Personal gain**

- (1) A staff member of a municipality may not—
  - (a) use the position or privileges of a staff member, or confidential information obtained as a staff member, for private gain or to improperly benefit another person; or
  - (b) Take a decision on behalf of the municipality concerning a matter in which that staff member, or that staff member's spouse, partner or business associate, has a direct or indirect personal or private business interest.
- (2) Except with the prior consent of the council of a municipality a staff member of the municipality may not—
  - (a) Be a party to a contract for—
    - (i) The provision of goods or services to the municipality; or
    - (ii) The performance of any work for the municipality otherwise than as a staff member;
  - (b) Obtain a financial interest in any business of the municipality; or
  - (c) Be engaged in any business, trade or profession other than the work of the municipality.

#### **5. Disclosure of benefits**

- (1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member acquired or stands to acquire any direct benefit from a contract concluded with the municipality must disclose in writing full particulars of the benefit to the council.
- (2) This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

#### **6. Unauthorised disclosure of information**

- (1) A staff member of a municipality may not without permission disclose any privileged or confidential information obtain as a staff member of the municipality to an unauthorised person.
- (2) For the purpose of this item "privileged or confidential information" includes any information—
  - (a) Determined by the municipal council or any structure or functionary of the municipality to be privileged or confidential;
  - (b) Discussed in closed session by the council or a committee of the council;
  - (c) disclosure of which would violate a person's right to privacy; or
  - (d) Declared to be privileged, confidential or secret in terms of any law.
- (3) This item does not derogate from a person's right of access to information in terms of national Legislation.

## **7. Undue influence**

A staff member of a municipality may not—

- (a) unduly influence or attempt to influence the council of the municipality, or a structure or functionary of the council, or a councillor, with a view to obtaining any appointment, promotion, privilege, advantage or benefit, or for a family member, friend or associate;
- (b) Mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any matter; or
- (c) Be involved in a business venture with a councillor without the prior written consent of the council of the municipality.

## **8. Rewards, gifts and favours**

(1) A staff member of a municipality may not request, solicit or accept any reward, gift or favour for—

- (a) Persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of any duty;
- (b) Making a representation to the council, or any structure or functionary of the council;
- (c) Disclosing any privileged or confidential information; or
- (d) Doing or not doing anything within that staff member's powers or duties.

(2) A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of sub item (1).

## **9. Council property**

A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

## **10. Payment of arrears**

A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

## **11. Participation in elections**

A staff member of a municipality may not participate in an election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

## **12. Sexual harassment**

A staff member of a municipality may not embark on any action amounting to sexual harassment.

## **13. Reporting duty of staff members**

Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the council.

## **14. Breaches of Code**

Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of this Act.

### **14A. Disciplinary steps**

- (1) A breach of this Code is a ground for dismissal or other disciplinary steps against a staff member who has been found guilty of such a breach?
- (2) Such other disciplinary steps may include—
  - (a) Suspension without pay for any longer than three months;
  - (b) Demotion;
  - (c) Transfer to another post;
  - (d) Reduction in salary, allowances or other benefits; or
  - (e) An appropriate fine.