

**PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

THE KOPANONG LOCAL MUNICIPALITY  
AS REPRESENTED BY

Cllr. XOLILE THOMAS MATWA

.....  
**MAYOR**

AND

Me. LEBOHANG YVONNE MOLETSANE

.....  
**(MUNICIPAL MANAGER)**

FOR THE

**FINANCIAL YEAR: 1 JULY 2017 - 03 AUGUST 2017**

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## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The Kopanong Local Municipality herein represented by Cllr. Xolilie Thomas Matwa in his capacity as the Mayor hereinafter referred to as the Employer, and Me. Lebohang Yvonne Moletsane (in her capacity as the Municipal Manager, Employee of Kopanong Local Municipality.

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred to as "the Parties".
- 1.2 Section 57(1) (b) (ii) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement within one (1) month after the beginning of each financial 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 Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

#### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 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 and targets defined and agreed with the employee and to communicate to 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 his or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and

- 4.3 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

**5 PERFORMANCE MANAGEMENT SYSTEM**

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.
- 5.3 The Employer will consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.
- 5.4 The Employee undertakes to actively focus towards the promotion and implementation of the KPAs (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, 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 (KPAs) and the Competency Requirements (CRs) respectively.
- 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.5.3 KPAs covering the main areas of work will account for 80% and CRs will account for 20% of the final assessment.
- 5.5.4 The total score must determined using the rating calculator.
- 5.6 The Employee's assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	20%
Municipal Institutional Development and Transformation	10%
Local Economic Development (LED)	10%
Municipal Financial Viability and Management	10%
Good Governance and Public Participation	45%
<b>Weight</b>	<b>100%</b>

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5.7 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the municipal manager and the relevant manager.

5.8 The CRs will make up the other 20% of the Employee's assessment score. CRs 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 CRs are compulsory for Municipal Managers:

COMPETENCY REQUIREMENTS FOR EMPLOYEES			
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>• Organisational awareness</li> </ul>	✓	15
People Management	<ul style="list-style-type: none"> <li>• Human Capital planning and Development</li> <li>• Diversity Management</li> <li>• Employees relations management</li> <li>• Negotiations and Dispute management</li> <li>•</li> </ul>	✓	10
Program and Project Management	<ul style="list-style-type: none"> <li>• Programme and Project Planning and Implementation</li> <li>• Service Delivery Management</li> <li>• Program and Project monitoring and evaluation</li> </ul>	✓	10
Financial Management	<ul style="list-style-type: none"> <li>• Budget planning and Execution'</li> <li>• Financial strategy and Delivery</li> </ul>	✓	10

COMPETENCY REQUIREMENTS FOR EMPLOYEES			
LEADING COMPETENCIES		√	WEIGHT
	<ul style="list-style-type: none"> <li>Financial reporting and monitoring</li> </ul>		
Change Leadership	<ul style="list-style-type: none"> <li>Change vision and strategy</li> <li>Process designs and improvement</li> <li>Change impact monitoring and evaluation</li> </ul>	✓	10
Governance Leadership	<ul style="list-style-type: none"> <li>Policy formulation</li> <li>Risk and compliance management</li> <li>Cooperative governance</li> </ul>	✓	15
CORE COMPETENCIES			
	Moral Competence	✓	5
	Planning and Organising	✓	5
	Analysis and Innovation	✓	5
	Knowledge and Information Management	✓	5
	Communication	✓	5
	Results and Quality Focus	✓	5
	Total percentage	✓	100%

## 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; and

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 goals 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) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

**6.5.2 Assessment of the CRs**

- (a) Each CR 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 CR.
- (c) This rating should be multiplied by the weighting given to each CR 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 CR score.

**6.5.3 Overall rating**

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating 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 CRs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					

Level	Terminology	Description	Rating				
			1	2	3	4	5
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	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.					

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

- 6.7.1 Executive Mayor or Mayor;
- 6.7.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
- 6.7.4 Mayor and/or municipal manager from another municipality; and
- 6.7.5 Member of a ward committee as nominated by the Executive Mayor or Mayor.

6.8 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 -

- 6.8.1 Municipal Manager;

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- 6.8.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
  - 6.8.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
  - 6.8.4 Municipal manager from another municipality.
- 6.9 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

**7. SCHEDULE FOR PERFORMANCE REVIEWS**

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

First quarter : 01 July 2017 – 03 August 2017

- 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;
  - 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 him / her to meet the performance objectives and targets established in terms of this Agreement; and

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- 9.1.5 make available to the Employee such resources as the Employee may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

## 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; and
  - 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 total remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:
- 11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
  - 11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 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; and
  - 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 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or

12.1.2 any other person appointed by the MEC.

12.1.3 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) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee;

whose decision shall be final and binding on both parties.

12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

### 13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.

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

13.3 The performance assessment results of the municipal manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Trompsburg on the...<sup>03</sup>...day of July 2017.

#### AS WITNESSES:

1. [Signature]

[Signature]  
MUNICIPAL MANAGER

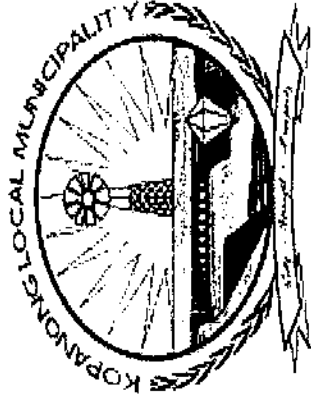
2. [Signature]

#### AS WITNESSES:

1. [Signature]

[Signature]  
MAYOR

2. [Signature]



Performance plan

Made and entered into by and between Kopanong Local Municipality as represented by the  
**Mayor**

Cllr X T Matwa

And

**Municipal Manager**

Me L Y Moletsane

The Municipal Manager of Kopanong Local Municipality for 01 July 2017- 03 August 2017

## **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

Key Performance Area	Weighting	Performance Indicator	Target	Resource requirements/ Unit of measure	Progress on date of review
<p>1. Good Governance and Public Participation</p> <p><i>"Putting people first"</i></p>		<p>Compliance with MSCOA implementation date for 01 July 2017.</p>	<p>01 July 2017</p>	<p>Fully compliant MSCOA system with all segments as per Municipal Regulations on Standard Chart of Accounts, effective 01 July 2017.</p> <p>MSCOA budget compliant</p>	
	<p>Report on proper implementation of MSCOA as per MSCOA Regulation</p>	<p>Quarterly reports on the implementation of MSCOA</p>	<p>Agenda Attendance register Minutes</p>		
	<p>Reviewing of Risk register for 2018/2019 by 30 June 2018.</p>	<p>30 June 2018</p>	<p>Annual risk register Attendance register</p>		
	<p>Monitoring of risk register</p>	<p>Quarterly</p>	<p>Attendance register Risk monitoring tool</p>		
	<p>Conducting of 1 fraud awareness/workshop by 31 December 2017</p>	<p>31 December 2017</p>	<p>Attendance register Distribution list of fraud</p>		

Key Performance Area	Weighting	Performance Indicator	Target	Resource requirements/ Unit of measure	Progress on date of review
				awareness pamphlets	
				Fraud Survey	
				Presentation 2016-2017	
		Conducting of 1 fraud awareness/workshop by 30 June 2018	30 June 2018	Attendance register	
				Distribution list for fraud awareness pamphlets	
				Fraud Survey	
				Presentation 2016-2017	
		Tabling of a Final IDP 2018-2019 to Council for approval by 31 May 2018 as per MSA S32	31 May 2018	Copy of Final IDP 18/19 Council resolution	
		Tabling of Draft IDP 2018-2019 to Council for adoption by 31 March 2018 as per MSA S32 Chapter 5.	31 March 2018	Copy of Draft IDP 18/19 Council Resolution	
		Conducting of 1 IDP steering committee meeting by 30 November 2017 as per process plan 18/19.	30 Nov 2017	Attendance register Agenda	
		Conducting of 1 representative forum on IDP and Budget by 28 February 2018.	28 Feb 2018	Attendance register Presentation	

Key Performance Area	Weighting	Performance Indicator	Target	Resource requirements/ Unit of measure	Progress on date of review
		<p>Conducting of 1 representative forum on IDP and Budget by 30<sup>th</sup> April 2018.</p> <p>Signed SDBIP 2018/19 by the Mayor within 28 days after approval of the IDP/Budget for the 18/19 as per Sec 53 (ii) of MFMA</p> <p>Publication of SDBIP 18/19 on the municipal website, units and libraries within 14 days after the approval by the Mayor as per Circular 13 of the MFMA.</p> <p>Senior management to enter into performance agreements with the employer within one month after the beginning of each financial year of the municipality and 60 days after a person has been appointed as the municipal manager or as a manager directly accountable to municipal manager as per Local Government Municipal Systems Amendment Act of 2011.</p>	<p>30 April 2018.</p> <p>28 days after the approval of the IDP/Budget for the 18/19 as per Sec 53 (ii) of MFMA</p> <p>14 days after the approval by the Mayor as per Circular 13 of the MFMA.</p> <p>60 days newly appointed 30 days old appointments</p>	<p>Attendance register Presentation</p> <p>Signed SDBIP by the Mayor.</p> <p>Screen dump for publication from the website. Acknowledgement of receipt from the units and libraries. Signed performance agreements</p>	

Key Performance Area	Weighting	Performance Indicator	Target	Resource requirements/ Unit of measure	Progress on date of review
		Review 4 performance reports by Internal Audit as per MSA Chapter 6 on a quarterly basis	Quarterly	Acknowledgement of receipt Performance reports.	
		Submission of 4 reviewed Internal Audit reports based on accuracy, reliability, completeness of reported information and compliance with relevant legislation to the audit committee as per MSA Chapter 6, MFMA 166 on a quarterly basis	Quarterly	IA reports Minutes for AC	
		Tabling of 4 committee reports to Council in relation issues of performance information as per legislation MSA Chapter 6 on a quarterly basis	Quarterly	Council Resolution Signed Audit committee reports by chairperson	
		Tabling of mid-year budget and performance assessment report (Sec 72 report) for July - December 2017 to Council by 31 Jan 2018 as per Sec 54 (f) of MFMA	31 Jan 2018	Copy of the Mid-year Budget and performance assessment report Council Resolution 2017-2018	
		Submission of draft annual report 2016/17 to Auditor General by 31 August 2017 as per MFMA S127 read together with S121 and MSA S46.	31 Aug 2017	Acknowledgement of receipt Draft Annual Report from Auditor General	



Key Performance Area	Weighting	Performance Indicator	Target	Resource requirements/ Unit of measure	Progress on date of review
		Tabling of Draft Annual Report 2016/2017 to Council within 9 months after end of a financial year.	9 months after end of financial year	Final AR 16/17 Council resolution 31/08/18	
	Weight :45	Tabling of oversight report on the AR 2016/2017 to Council by no later 2 (two) months from the date in which the AR was tabled as per MFMA Sec 127 (5)	No later than 2 (two) months from the date in which AR was tabled as per MFMA Sec 127 (5)	Council Resolution Oversight Report 16/17.	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		Compliance with Chapter 4 Section 16 of the MFMA by 30 June 2018.	30 June 2018	Council Resolution	
"FINANCIAL MANAGEMENT"	Weight 15				
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	Weight 10	Compliance with 'the Performance Management Regulations for Municipal Managers and Managers Directly Accountable of 2006 of Performance Management systems by 30 June 2018(EPAS)	30 June 2018	Report for performance appraisal.	
		Submission of reviewed organizational structure to Council by 30 June 2018.	30 June 2018	Reviewed Organogram Council Resolution	

Key Performance Area	Weighting	Performance Indicator	Target	Resource requirements/ Unit of measure	Progress on date of review
LOCAL ECONOMIC DEVELOPMENT	Weight 10	Monitoring the development of Youth Cooperative Mall on a quarterly basis	Quarterly	Attendance register Minutes Invitations Progress reports	
		Development of STR strategy for Edenburg by 30 June 2018	30 June 2018	Attendance register Minutes Invitations Progress report	
		Reviewing of commonage policy by 30 June 2018	30 June 2018	Reviewed commonage policy Council Resolution	
		Establishment of municipal pounding by 30 June 2018	30 June 2018	Report on number of animals impounded from pound master	
BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT	Weight 20	Monitoring of 100% municipal capital budget spent on identified MIG, RBIG, DOE, EPWP, and SWIG capital projects by 30 June 2018.	30 June 2018	Action plan Progress reports Monthly reports Monthly expenditure reports	

PERFORMANCE PLAN FOR MUNICIPAL MANAGERS FOR THE PERIOD: 01 JULY 2017 TO 03 AUGUST 2017

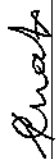
Signed and accepted by (Municipal Manager



Date

26. 07. 2017.

Signed by the Mayor on behalf of the Council



Date

26. 07. 2017