

# WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



## PERFORMANCE AGREEMENT: 2022/23

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Entered into by and between

**WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY**

("the Employer")

Represented by the Municipal Manager: Mr. L. Mahlaka

Duly authorized by the Council

**AND**

**Mr. Zakhele Alex Zukulu**

["the Employee"]

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## ACRONYMS

<b>SDBIP</b>	-	Service Delivery and Budget Implementation Plan
<b>BEE</b>	-	Black Economic Empowerment
<b>MM</b>	-	Municipal Manager
<b>EXCO</b>	-	Executive Committee
<b>SM</b>	-	Senior Manager
<b>HoD</b>	-	Head of Department
<b>IDP</b>	-	Integrated Development Plan
<b>LED</b>	-	Local Economic Development
<b>MFMA</b>	-	Municipal Finance Management Act, No. 56 of 2003
<b>KPA</b>	-	Key Performance Area
<b>KPI</b>	-	Key Performance Indicators
<b>CCR</b>	-	Core Competency Requirements
<b>RSA</b>	-	Republic of South Africa
<b>SCM</b>	-	Supply Chain Management
<b>NEDLAC</b>	-	National Economic Development and Labour Council
<b>PDP</b>	-	Personal Development Plan
<b>PA</b>	-	Performance Agreement
<b>PP</b>	-	Performance Plan
<b>OPMS</b>	-	Organisational Performance Management System

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## DEFINITIONS

- Ruling Language** - Refers to the language parties to the contract choose to use as a medium for formal communication between themselves.
- Financial Year** - Refers to the 12-month period which the organization determines as its budget year.

## GENERAL PROVISIONS

### 1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Chief Financial Officer for a period of five (5) years, ending on 30 September 2022, in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 1.2 Section 57(1) (b) of the Municipal Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement. That the parties hereby agree to have this contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Chief Financial Officer reporting to the Municipal Manager representing the municipality, to a set of actions that will secure local government policy goals.
- 1.4 This performance contract is between **Zakhele Alex Zukulu**, the Chief Financial Officer, and **Luvuyo Mahiaka**, the Municipal Manager. It is for the 2022/2023 financial year only. The expected performance reflected in this contract is based on the Integrated Development Plan 2022/23 to 2026/27 compiled in 2021/22, and the 2022/2023 Service Delivery and Budget Implementation Plan. The two afore-mentioned documents have been adopted as the working documents of Winnie Madikizela-Mandela Local Municipality and therefore, shall be the basis of performance assessment.

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## 2. STRATEGIC OBJECTIVE

The Chief Financial Officer has the overall responsibility of ensuring that he shall be, subject to the policy directions of the Municipality, responsible and accountable for administratively being in charge of the Budget and Treasury Office, performing such budgeting, accounting, financial statement preparation, financial analysis, financial reporting, investment and cash management, debt management, asset management, supply chain management, financial management and review, and any other functions as may be delegated to him by the Municipal Manager.

In addition to above, he shall be responsible for ensuring that the municipality has and maintains -

- (i) effective, efficient and transparent systems of financial and risk management and internal control; and
- (ii) an appropriate supply chain management and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

## 3. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the Chief Financial Officer achieves outstanding performance, he shall qualify for the annual performance bonus in accordance with clause 6 of the contract of employment, as amended, entered into between the Municipal Manager and the CFO on 01 September 2017, as well as the results of the performance evaluation agreed to in this contract. The acceptability of the level of his performance or otherwise shall be determined and declared by the performance evaluation team in accordance with the provision of this agreement, following the receipt of a report on the Chief Financial Officer's achievement or otherwise of the KPIs as reflected in clause 4 of this contract.

Annexure A as attached has listed Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) that are worth 100 points in total. Each KPA and CCR consists of Key Performance Indicators that have different weightings; which weightings are then converted by the adopted rating calculator into the final weightings; which final weightings are to be assessed. The achievement of above 160 percent shall be regarded as 100% bonus warranting, above 130 percent to 160 percent, as average and warranting a proportional percentage of performance bonus, above 80 percent to 130 percent shall warrant some form

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of in-kind recognition, and below 50 percent, shall require the employer to effect remedial measures that may include an incapacity disciplinary enquiry.

A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be effected after,

- I. The Annual Report for the financial year under review has been tabled and adopted by the Municipal Council;
- II. An evaluation of performance in accordance with the provisions of regulation 23, and this contract; and
- III. Approval of such evaluation by the Municipal Council as a reward for outstanding performance or effective performance.

The increment for 2022/2023 shall be based on the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers directly accountable to Municipal Managers, 2006. The employer shall grant an annual salary adjustment linked to a cost-of-living adjustment based on market indicators, which is not performance based.

#### 4. EVALUATING PERFORMANCE

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

The annual performance appraisal will involve:

- I. Assessment of the achievement of results as outlined in the performance plan;
- II. Assessing the extent to which the specified standards or KPIs have been met with due regard to ad-hoc tasks that had to be performed under the KPAs and CCRs.

The criterion upon which the performance of the employee shall be assessed consists of two components, both of which shall be contained in the performance plan: -

- I. The employee must be assessed against both components, with a weighting of 80:20 allocated to the KPAs and the CCRs respectively;
- II. Each area of assessment will be weighted and will contribute a specific part to the total score.

A five-point rating scale to be used for both KPAs and CCRs, is as depicted hereunder:

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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 key 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	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	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. 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					

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Level	Terminology	Description	Rating				
			1	2	3	4	5
		management efforts to encourage improvement.					

The performance bonus payment shall be categorized into two bands with multiple ranges per band.

The first performance bonus (cash rewards) payment band ranges between 5% and 9% of the all-inclusive remuneration package, as follows:

- I. A score of above 130% to 136%, to qualify for a 5% bonus;
- II. A score of above 136% to 142%, to qualify for a 7% bonus;
- III. A score of above 142% to 149%, to qualify for a 9% bonus.

The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- I. A score of 150% to 155%, to qualify for a 10% bonus;
- II. A score of above 155% to 160%, to qualify for a 13% bonus;
- III. A score of above 160%, to qualify for a 14% bonus.

A performance bonus may not be paid on a pro-rata basis as the bonus is paid annually after complying with the legal requirements captured in this contract and the applicable laws.

The performance achievement ranging from 80% to 130% shall be regarded as fully effective and therefore warranting the employer to acknowledge and or recognize the employee, whichever is necessary. This category of performance acknowledgement and recognition is a non-financial rewards system. It will apply as follows:

- i. A score of 80% to 100%, to receive a letter of acknowledgement and recognition issued by the Municipal Manager;
- ii. A score of above 100% to 120%, to receive a recognition certificate from the Mayor;
- iii. A score of above 120% to 130%, to receive an academic/skills development programme grant to a maximum of R20 000.00 only; this to be paid directly to a learning institution of choice. The selected programme must be linked to the personal development plan (Annexure B).

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A level of performance achievement of below 50% shall warrant the employer to execute corrective measures that may include disciplinary measures due to incapacity.

#### **5. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure "B".

#### **6. CONSEQUENCE OF SUBSTANDARD PERFORMANCE**

Where the employer, at any time during the Chief Financial Officer's employment, is not satisfied with the Chief Financial Officer's performance with respect to any matter dealt with in this Agreement, the employer will give notice to the Chief Financial Officer to attend a monitoring and review meeting.

The CFO will have the opportunity at the meeting to satisfy the Municipal Manager or the monitoring and evaluation team of the measures being taken to ensure that his performance becomes satisfactory and any program, including any dates, for implementing these measures.

#### **7. RULING LANGUAGE**

The contract is made out in the English language, which shall be the ruling language. All correspondence between the parties to this contract and all reports and documents pertaining to this contract shall be in English language.

#### **8. TERM OF CONTRACT**

This contract shall be deemed to have been entered into on the 1<sup>st</sup> of July 2022 and will expire on the 30<sup>th</sup> of June 2023. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2023. This Agreement will terminate on the termination of the Chief Financial Officer's contract of employment for any reason.

#### **9. LIMITATIONS OF THE CONTRACT**

This contract is an agreement between the employer and the Chief Financial Officer about the expected performance of the latter during the specified term. This contract is subject to the employment contract which the Chief Financial Officer entered into on accepting his position and to South African legislation. In the case of any ambiguity, the employment contract shall prevail over this performance contract. Nothing contained in this Agreement in any way limits the right of the employer to terminate the Chief Financial Officer's contract of employment with or without notice for any other breach by the Chief Financial Officer of his obligations to the Municipality or for any other valid reason in law.

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## 10. MONITORING AND EVALUATION

The monitoring and performance reviews for each quarter as determined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers 2006, shall be comprised of the Municipal Manager, and their brief will be to assess the performance of the Chief Financial Officer in line with the performance requirements as outlined in Annexure A of this contract. Despite the in-year reviews, the employer shall establish an assessment team to conduct an annual performance review; the team shall be composed as follows:

- I. Municipal Manager,
- II. Chairperson of the Audit Committee,
- III. A member of the Executive Committee, and
- IV. Municipal Manager from another municipality.

The Senior Manager: Corporate Services shall provide secretariat services to the assessment team referred to above.

## 11. DISPUTE RESOLUTION

In case of disputes, which cannot be resolved through negotiations and mediation, the employee has a right to refer the case to the Mayor who must settle the case within thirty (30) days of receipt of a formal written dispute. The decision of the Mayor shall be deemed final and binding on both parties.

## 12. JURISDICTION

Regardless of the place of execution, performance or domicile of the parties, this contract and all modifications and amendments hereof shall be governed by and construed under and in accordance with the laws of the Republic of South Africa.

## 13. WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Chief Financial Officer with effect from 01 July 2022.

No agreement, varying, adding to, deleting from or canceling this contract, shall be effective unless reduced to writing and signed by both parties. The following annexures and appendices attached to this contract will have the same force and effect as if they were written in this section of the contract:

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**ANNEXURE A: PERFORMANCE PLAN**

**ANNEXURE B: PERSONAL DEVELOPMENT PLAN**

**APPENDIX 1: COMMITMENT OF MANAGEMENT TEAM**

**APPENDIX 2: OBLIGATIONS OF THE EMPLOYER**


SIGNED at Mbiza this 28<sup>th</sup> day of July 2022.

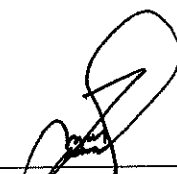
**CHIEF FINANCIAL OFFICER**

Signature: 

Name Printed: Zinkandiso Anek Zukulu

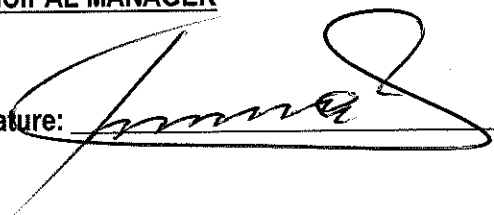
**WITNESSES**

1. Signature:  Name Printed: Zingiswo Mehlo

2. Signature:  Name Printed: Zuko Khona


**FOR AND ON BEHALF OF WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY**

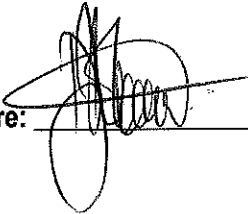
**MUNICIPAL MANAGER**

Signature: 

Name Printed: MR. L. MATHAKA

WITNESSES

1. Signature:  Name Printed: N. LNI

2. Signature:  Name Printed: N. Tokmani

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ANNEXURE "A"

PERFORMANCE PLAN

14. KEY PERFORMANCE AREAS (KPAS) FOR 2022/2023

14.1 BASIC SERVICE DELIVERY

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	Financial implications	
14.1.1 To reduce access roads backlog by constructing 32kms by June 2027	3	3.75%	Construction of Tshuze to Luphilisweni gravel access road	30 June 2023	Payments processed within 30 days of receipt of each valid invoice. Constructed 3.9km of Tshuze to Luphilisweni gravel access road by June 2023.	All submitted payments	R9,401,788.00	Proof of payments, Signed completion certificate by Senior Manager: Engineering Services
14.1.2 To establish effective compliance	3	3.75%	Construction of Majazi Landfill site	30 June 2023	Payments processed within 30 days	1 Majazi landfill site	R8 075 000.00	Appointment letter, Proof of payments &

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	Financial implications	
with Waste Act by June 2027					of receipt of each valid invoice	constructed by June 2023		Progress/completion certificates
14.1.3 Connect electricity to formal households within the municipal jurisdiction by June 2023	4	5%	Number of households connected and energized in Zizityaneni	30 June 2023	Processing of Payments within required times	Connected and energized 300 households in Zizityaneni by June 2023	R5,100,000.00	Proof of payments, and Completion certificate signed by Senior Manager Engineering Services.
14.1.4 To routinely rehabilitate 450km gravel access roads by June 2027	3	3.75%	75km of gravel access roads Maintained by June 2023	30 June 2023	Procurement and Processing of Payments within required times	75km of gravel access roads Maintained by June 2023	R18,169,788.00	Appointment letters, Proof of payments, and Completion certificates signed by Senior Manager Engineering Services

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14.2 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS			MEANS OF VERIFICATION	
				TIME	QUALITY	QUANTITY		Financial Implications
14.2.1 To implement and sustain a functional and effective Performance Management System (PMS) by June 2027	3	3.75%	Number of PMS agreements signed and workplans formulated for employees below senior management.	30 June 2023	Signing of agreement and formulation of work plans for employees below senior management by June 2023	50 PMS agreements signed and workplans	Signed agreements and workplans	

14.3 LOCAL ECONOMIC DEVELOPMENT (LED)

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS			MEANS OF VERIFICATION	
				TIME	QUALITY	QUANTITY		Financial Implications
14.3.1 To develop a credible	4	5%	1 Supplementary Valuation Roll by June 2023	30 June 2023	1 Supplementary Valuation Roll by June 2023	All ratable properties valued	Approved Supplementary Valuation	

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS			MEANS OF VERIFICATION	
				TIME	QUALITY	QUANTITY		Financial Implications
valuation roll by 2027								
14.3.2 To revive structures to contribute to local economic development initiatives by June 2027	2	2.5%	Number of stakeholder meetings facilitated, Number of Business Conferences hosted and business plans developed	30 June 2023	4 Stakeholder meetings facilitated by June 2023, 1 Hosted Business Conference and 2 business plans developed for economic development by June 2023	4 Stakeholder meetings facilitated by June 2023, 1 Hosted Business Conference and 2 business plans developed for economic development by June 2023	Approved Concept Document; Attendance Register, Report, 2 x Business plans	
14.3.3 To develop and support manufacturing across municipality until June 2027	2	2.5%	Number of Manufacturing Hubs constructed	30 June 2023	Construction of Manufacturing Hubs	3 Manufacturing Hubs constructed at Biorhweni, Mpisi and Dudumeni (Phase 1) by June 2023	R12,461,579.00 Appointment letters, Progress Report	

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	Financial Implications	
14.3.4 To grow and strengthen the agricultural sector by supporting local farmers by June 2027	2	2.5%	Number of local farmers supported	30 June 2023	Facilitate farmer support programme and Agri parks programme	5 Local Farmers supported by June 2023	R1,400,000.00	Delivery note, attendance register, Reports, and proof of payments
14.3.5 To promote enterprise development to contribute 10% by June 2027	2	2.5%	Number of SMMEs Supported & capacitated	30 June 2023	Implementation of SMME & Cooperative Plan by June 2023	20 Supported & Capacitated SMMEs by June 2023 (repetitive)	R3,956,503.20	Delivery note, proof of payment and Distribution register

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14.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	Financial Implications	
14.4.1 To achieve at least 95% collection of all debt	5	6.25%	Number of Handed over accounts to debt collectors that are beyond 90 days	30 June 2023	Outsourcing of collection services	Handing over of 100 accounts to debt collectors that are beyond 90 days by June 2023	R 900 000.00	4 Quarterly report on 25 accounts handed over beyond 90 days
14.4.2 To pay creditors within 30 days in compliance with the MFMA by June 2023	5	6.25%	Age analysis reflecting creditors within 30 days	Daily for receipt of payments -monthly for payment of all creditors	Payment of all presented acceptable invoices within 30 days from receipt of invoice by June 2023	All payments	N/A	Invoice register and age analysis report by June 2023
14.4.3 To have fully capacitated Supply Chain Management Personnel and effective procurement system	5	6.25%	Developing Mechanisms to monitor seating of the bid committees	30 June 2023	Schedule of bid seating of bid committees ensuring each bid is concluded within 60 days of the	12 Signed schedule of bid committees, attendance registers for Bid Adjudication Committee	N/A	Signed schedule of bid committees, attendance registers of members

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	Financial Implications	
procurement system	4	5%	Updated Website with SCM adverts, closing registers and awarded tenders	30 June 2023	Uploading of all Adverts, closing registers and awarded tenders on the municipal website by June 2023	All Adverts and electronic closing registers publicised	N/A	Screenshots of the website showing documents uploaded
14.4.4 To have an accurate GRAP compliant Asset Register.	5	6.25%	Signed GRAP compliant asset register	Monthly	GRAP compliant Fixed Asset register as at 30 June 2022 by June 2023	1 Annual Fixed Asset Register	R1 300 000.00	Signed GRAP compliant asset register, Proof of submission to AG, RFI and Coaf Register
14.4.6 To compile Annual Financial Statements that comply with all requirements as at 30 June 2022	5	6.25%	Credible Annual Financial Statements submitted by 31 August 2022	Annually	Credible and fully compliant Annual Financial Statements as at 30 June 2022 submitted by 31 August 2022	1 set of Annual Financial Statements	R 200 000.00	AFS and proof of submission to AG, Proof of payment, Interim Financial statements

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	Financial Implications	
14.4.7 To achieve a clean audit as at 30 June 2022	5	6.25%	Management of the external audit and audit readiness to achieve clean audit	Bi-annually	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2022	Audit Report	R5,200,000.00	Proof of submission to AG, COAF register, Audit report, updated Audit Action Plan
14.4.7 Adhere to compliance in terms of management and reporting	5	6.25%	Signed statutory reports submitted	Quarterly and annually	Submission of all statutory reports as required by June 2022	4 sets of reports and confirmations	N/A	Proof of submission of 4 Signed s52 Reports
	4	5%	Number of trained financial management interns and finance staff to meet minimum competency requirements by June 2023	Monthly	Training of financial management interns and finance staff to meet minimum competency requirements by June 2023	3 Intern and 1 Official	R266,000.00	Proof of registration and Attendance register

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
14.4.8 To timely produce budgets in line with the National Treasury guidelines and regulations	5	6.25%	Number of budgets approved	28 February 2023, 31 March 2023 and 31 May 2023	3 Approved budgets by June 2023	1 Approved Budget, 1 approved adjustments budget and, 1 Adopted draft budget	Adjustment budget 22/23; Draft budget 23/24; Approved 23/24 Final Budget and Council resolutions
							Financial Implications R0.00

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14.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGET			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
14.5.1 To ensure compliance with laws and regulations and ensure a culture of accountability, performance excellence & monitoring by June 2027	4	5%	Timely submission of performance reports	Quarterly	4 Quarterly Performance Reports tabled to Council and its structures for consideration for the 2022/23 Financial Year by June 2023	4 Quarterly reports submitted	Minutes of the council meetings on submission of quarterly reports and
Total	80	100%					

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**CORE COMPETENCIES REQUIREMENTS (CCRs)**

**SELECTED CORE COMPETENCIES REQUIREMENTS**

- 1) Financial Management (Objective 15.1)
- 2) People Management and Empowerment (Objective 15.2)
- 3) Client Orientation and Customer Focus (Objective 15.3)
- 4) Change Management (Objective 15.4)
- 5) Accountability and Ethical Conduct (Objective 15.5)

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS				MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY		
15.1 To ensure that all financial transactions are captured and accounted for in the correct period	5	25%	A complete and accurate accounting information for all transactions	30 June 2023	GRAP and MFMA Compliant	100%	Monthly and Quarterly reports Audit Report by the AG(SA)	
15.2 To ensure that all Budget and Treasury personnel are at work at all times and performing their duties	3	15%	<ul style="list-style-type: none"> <li>a. Personnel that reports for work every day and punctually.</li> <li>b. Personnel that have the capacity to perform duties and produce work of the expected standard</li> </ul>	30 June 2023	N/A	100%	<ul style="list-style-type: none"> <li>a. Attendance register</li> <li>b. Monthly reports</li> <li>c. Audit Report by the AG</li> </ul>	

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
15.3 To ensure implementation and monitoring of cost measures	3	15%	a. Implementation of the Municipal Cost Containment Regulations	30 June 2023	N/A	100%	Cost Containment Management reports
15.4 To have SCM processes that comply with the regulations and policies	5	25%	a. SCM Processes that are understood by all and streamlined to hasten Service Delivery	30 June 2023	N/A	100%	Revised SCM Procedures
15.5 To ensure that all personnel at the Budget and Treasury conduct themselves in according to high levels of ethics and accountability	4	20%	Sensitization of all employees on the adherence to the Code of Conduct and Disciplinary Procedures collective agreement.	30 June 2023	N/A	100%	Minutes of Induction and Staff Orientation programmes.
Total	20	100%					

**NB:** All performance requirements have a deadline of 30 June 2023, unless stated otherwise in the requirements.

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**ANNEXURE "B"**

**PERSONAL DEVELOPMENT PLAN**

**NAME:** ZAKHELE ALEX ZUKULU

**JOB TITLE:** CHIEF FINANCIAL OFFICER

**EMPLOYER:** MBIZANA LOCAL MUNICIPALITY

**FINANCIAL YEAR:** 2022/23

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
1. Strategic leadership and management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria.	Senior Manager: Corporate Services and Municipal Manager	By 30/06/2023	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in terms of the MFMA, No. 56 of 2003.
2. Strategic financial management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training	Senior Manager: Corporate Services and Municipal Manager	By 30/06/2023	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum

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Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
3. Risk and change management.	<p>Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria.</p>	Senior Manager: Corporate Services and Municipal Manager.	By 30/06/2023	<p>Competency Levels, issued in terms of the MFMA, No. 56 of 2003.</p> <p>Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in terms of the MFMA, No. 56 of 2003.</p>

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APPENDIX 1

**Commitment of Management Team reporting directly to the CFO**

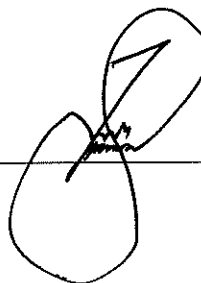
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We, Z. Khala (Manager: SCM), Z. Mehlo (Manager: Budgeting and Reporting) and S. Morlock (Manager: Revenue and Expenditure), S. Mbusi (Manager: Assets and Stores) hereby make this commitment to support the Chief Financial Officer, Z.A Zukulu, to achieve targets as set in this performance contract between him and the employer. As support managers, we understand that his targets are impossible to achieve without our full support and co-operation. We, therefore, accept both our individual and collective responsibilities towards the attainment of the set targets.


1. Signed by

Z. Mehlo 


2. Signed by

Z. Khala 

3. Signed by

S. Morlock 

4. Signed by

S. MBUSI 

## APPENDIX 2

### 1. OBLIGATIONS OF THE EMPLOYER (KEY ASSUMPTIONS)

#### 1.1 Office Accommodation

During the full period of the performance agreement the employer shall provide adequate office accommodation for the Chief Financial Officer. The occupational cost including the attendant ground rent obligations will be borne by the Employer.

#### 1.2 Personnel

The employer shall be required to hire managers reporting directly to the Chief Financial Officer.

#### 1.3 Facilities and Equipment

1.3.1 During the full period of the performance contract, the employer shall avail to the CFO all existing facilities and equipment which he will need in executing his duties.

#### 1.4 Other provisions

##### 1.4.1 Approvals

The Employer shall make a decision/comment on items submitted for approval/comment within two (2) week of receipt of the items.

##### 1.4.2 Tasks to the Employer

The employer undertakes to execute all crucial activities that fall under his responsibility as required by this contract in order not to derail the continuity of department operations. If there is failure on the employer's part and the Chief Financial Officer feels that the

attainment of targets of this contract is at stake, the two parties will meet and agree on the way forward.

1.4.3 Substitution of the Chief Financial Officer

The employer reserves the right to take appropriate action to replace the Chief Financial Officer as per employment contract of the Chief Financial Officer.

## 2 OBLIGATIONS OF THE CHIEF FINANCIAL OFFICER

### 2.1 Conditions of service

2.1.1 The CFO shall be the Head of the Budget and Treasury Department, subject to the conditions of service as stipulated by the employer. The conditions of service of the Chief Financial Officer shall include but not be restricted to:

2.1.1.1 Setting of specific targets for managers reporting to him.

2.1.1.2 Advise Municipal Manager on all matters including progress made in the implementation of the SDBIP.

2.1.1.3 Setting and monitoring of performance indicators for the Budget and Treasury Department and execute corrective measures as and when necessary.

2.1.1.4 Ensuring that the departmental assets are in a good working condition.

2.1.1.5 Provision of high-quality service within the department in a cost-effective manner within agreed time frames.

2.1.1.6 Completing and submitting performance reports for the Budget and Treasury Department, to the Municipal Manager on a quarterly basis for information purposes.

2.1.1.7 Assessing performance reports for Budget and Treasury staff where necessary.

2.1.1.8 Preparation of the annual budget and once approved, adhering to it.

2.1.1.9 Implementing strategies to improve the morale of staff.

2.1.1.10 Attending meetings and other occasions on behalf of the department and the municipality.

- 2.1.2 The Chief Financial Officer shall ensure that his staff has access to and is well informed about the disciplinary procedure of the municipality.
- 2.1.3 Making recommendations to the Municipal Manager to hire staff in the Budget and Treasury Department as the need arises.
- 2.1.4 Determining the optimum staff level necessary for the accomplishment of targets and advising the employer on reduction or increase of staff in the department. Staff restructuring or reduction will utilize the existing municipal 'staff pool' as will be mutually agreed between the employer and the Chief Financial Officer in fulfillment of the current staff reduction policy. If such staff is to be laid off due to the staff reduction policy, the cost of severance and other terminal benefits shall be borne by the employer as required by the Labour Laws of RSA.
- 2.1.5 Carrying out all the necessary departmental staff training as shall be mutually agreed with the employer.

## 2.2 Standard of Service

- 2.2.1 The CFO shall exercise all his skills, reasonable care, responsibility and diligence in discharge of his duties under this contract. The Chief Financial Officer shall do so with sound professional conduct in accordance with generally accepted standards.
- 2.2.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Chief Financial Officer in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

## 2.3 Supervision of Personnel in the Municipality

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The Chief Financial Officer undertakes to supervise personnel in his department. If he is dissatisfied with performance of any staff, provisions of the relevant internal policy and legislative framework of RSA shall apply.

#### 2.4 Targets and Milestones

2.4.1 The CFO shall do all in his power to achieve the targets and milestones indicated in the municipal IDP and Performance Management System.

2.4.2 The CFO undertakes to achieve the parent targets, which shall be directly related to the expected improvement in the level of services and therefore improvement in the quality of life within the municipality. The parent targets are those defined as performance requirements in Section 14 of this contract.

#### 2.5 Reporting

2.5.1 The CFO shall submit detailed quarterly reports on the operation of the Budget and Treasury Department to the employer. The reports shall include details of achievement of targets and milestones for that quarter for information purposes. The quarterly report should reach the employer within one month after the quarter in question has lapsed.

2.5.2 The CFO also undertakes to submit any other report/s as required by the employer.

#### 2.6 Expenditure

The Chief Financial Officer shall be responsible for the implementation of the approved operational and capital budget of the Budget and Treasury Department.

#### 2.7 Maintenance of Assets (fixed and movable) in the Municipality

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The CFO shall assist the Municipal Manager in the maintenance of assets in the department with the Municipal Manager having authority to enter into service contracts with service providers to carry out such maintenance.

## 2.8 Purchases

2.8.1 The CFO undertakes to utilize the most recently approved Municipal Supply Chain Management Policy (SCM) to handle all procurement within the municipality, according to the provisions of this contract. No procurement shall be allowed to proceed outside of the approved SCM policy.

## 2.9 Books and Records

The CFO shall keep accurate books and records of all finance operations and shall permit the employer to inspect them and make copies where necessary.

## 2.10 Financial Procedures

2.10.1 Financial year shall commence on the 1<sup>st</sup> of July and end on the 30<sup>th</sup> of June each year; such period defined as the financial year shall be used for purposes of budgets, expenditures, cash flows and other operational requirements.

2.10.2 The employer reserves the right to ensure that finances are operated in accordance with the government's financial regulations and can utilize the services of an Auditor in this regard.

2.10.3 The CFO must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

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2.11 Budget

2.11.1 During the budget process the Chief Financial Officer shall make the necessary submissions to the Budget Office, reflecting the projected financial needs of his department for the following financial year.

2.11.2 The approval of the departmental budget shall constitute the authority to the CFO to incur expenditure accordingly and in line with the performance targets indicated in this performance contract.

2.12 Liability

The CFO shall be responsible towards the municipality for the performance of services in accordance with the provisions of this contract, subject to the following limitation:

2.12.1 The Chief Financial Officer shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission, of any personnel in his department in the course of duty or anybody subcontracted by the municipality.

3. OTHER PROVISIONS

3.1 Unforeseen conditions

There may be some unforeseen conditions necessary for the success of this performance contract. If either party discovers such circumstances, during the course of operation of this performance contract, the matter shall be brought to the attention of the other, in writing. A meeting, whose timing shall be mutually agreed upon, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to this contract.

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