

# **PERFORMANCE AGREEMENT**



**DR. KENNETH KAUNDA DISTRICT**

**MUNICIPALITY**

**CHIEF AUDIT EXECUTIVE**

**2022/2023**

*S. M. R.*

# **PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

**THE MUNICIPALITY OF DR KENNETH KAUNDA DISTRICT  
MUNICIPALITY,  
AS REPRESENTED BY THE MUNICIPAL MANAGER**

**FULL NAMES**

**Mr. MOKGATLHE JOHN RATLHOGO**

**AND**

**Mr. SITHEMBELE GOLDEN MTEMEKWANA**

**THE EMPLOYEE OF THE MUNICIPALITY**

**FOR THE**

**FINANCIAL YEAR: 01 JULY 2022 TO 30 JUNE 2023**

**TABLE OF CONTENTS**

1. INTRODUCTION .....4

2. PURPOSE OF THIS AGREEMENT .....4

3. COMMENCEMENT AND DURATION .....5

4. PERFORMANCE OBJECTIVES .....5

5. PERFORMANCE MANAGEMENT SYSTEM .....7

6. EVALUATING PERFORMANCE.....9

7. SCHEDULE FOR PERFORMANCE REVIEWS .....11

8. DEVELOPMENTAL REQUIREMENTS .....12

9. OBLIGATIONS OF THE EMPLOYER.....12

10. CONSULTATION .....12

11. MANAGEMENT OF EVALUATION OUTCOMES .....13

12. DISPUTE RESOLUTION.....13

13. GENERAL.....14

*B. PR*

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The Municipality of Dr. Kenneth Kaunda District Municipality herein represented by **Mr.**

**MOKGATLHE JOHN RATLHOGO**

(Full name) in her capacity as Municipal Manager (hereinafter referred to as the **Employer or Supervisor**)

And

**Mr. SITHEMEBELE GOLDEN MTEMEKWANA** (full name) **Employee** of the Dr. Kenneth Kaunda District Municipality (hereinafter referred to as the **Employee**).

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 Section 57(1) (b) of the Systems Act, read with the Contract of Employment concluded between the **Parties**, requires the parties to conclude an annual performance agreement.
- 1.3 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 **Employee** the **Employer's** expectations of the employee's performance and accountabilities in alignment with the Integrated **Development Plan, Service Delivery and Budget Implementation Plan (SDBIP)** and the **Budget** of the municipality;



- 2.3 specify accountabilities as set out in a **Performance Plan**, which forms an **Annexure** to the **Performance Agreement**;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the **Performance Agreement** as the basis for assessing whether the **Employee** has met the performance expectations applicable to her job;
- 2.6 in the event of outstanding performance, to appropriately reward the **Employee**; and
- 2.7 give effect to the **Employer's** commitment to a performance-orientated relationship with its **Employee** in attaining equitable and improved service delivery.

### 3. COMMENCEMENT AND DURATION

- 3.1 This **Agreement** will commence on the **01 July 2022** and will remain in force until **30 June 2023**. The **Personal Development Plan** shall be implemented as in line with the **WSP**.
- 3.2 The **Parties** will conclude a new **Performance Agreement and Performance Plan** that replaces this **Agreement** at least once a year by not later than the beginning of each successive financial year as may be the case.
- 3.3 This **Agreement** will terminate on the termination of the **Employee's** Contract of Employment for any reason.
- 3.4 The content of this **Agreement** may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this **Agreement** the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this **Agreement** are no longer appropriate, the contents shall immediately be revised.

### 4. PERFORMANCE OBJECTIVES

#### 4.1 The **Performance Plan** sets out-

- 4.1.1 the performance objectives and targets that must be met by the **Employee**; and
  - 4.1.2 The time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in the **Performance Plan** are set by the **Employer** in consultation with the **Employee** and based on the **Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP)** and the **Budget** of the **Employer**, and shall include key objectives, key performance indicators, target dates and weightings.

- 4.3 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 timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other
- 4.4 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**.

AK B.

## 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 tools and weightings as encapsulated in the performance management systems of the municipality.
- 5.5.1 The **Employee** shall be assessed against both components, with a weighting of 80% - 20% allocated to the **Key Performance Areas (KPAs)** and the **Core Managerial Competencies (CMCs)** respectively.
- 5.5.2 Each area of assessment shall be weighted and shall contribute a specific part to the total score.
- 5.5.3 KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.
- 5.6 The **Employee's** assessment shall be based on her performance in terms of the outputs / outcomes (performance indicators) identified as per attached **Performance Plan**, 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**:

	Weighting
Basic Service Delivery	0%
Municipal Institutional Development and Transformation	0%
District Economic Development (DED)	0%
Municipal Financial Viability and Management	0%
Good Governance and Public Participation	100%
Spatial Rationale	0%
<b>Total</b>	<b>100%</b>



5.7 The CMCs will make up the other 20% of the **Employee's** assessment score. CMCs 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**:

<b>CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES</b>		
<b>CORE MANAGERIAL and OCCUPATIONAL COMPETENCIES (CMC)</b>	<b>√(INDICATE CHOICE)</b>	<b>WEIGHT</b>
<b><i>CORE MANAGERIAL COMPETENCIES</i></b>		
Strategic Capability and Leadership		4
Programme and Project Management		5
<b>Financial Management</b>	√	5
Change Management		4
Knowledge Management		5
Service Delivery Innovation		5
Problem Solving and Analysis		5
<b>People Management and Empowerment</b>	√	5
<b>Client Orientation and Customer Focus</b>	√	5
Communication		4
Honesty and Integrity		5
<b><i>CORE OCCUPATIONAL COMPETENCIES</i></b>		
Competence in Self- Management		5
Interpretation of and implementation within the legislative and national policy frameworks		5
Knowledge of developmental local government		5
Knowledge of Performance Management and Reporting		5
Knowledge of global and South African specific political, social and economic contexts		3
Competence in policy conceptualisation, analysis and implementation		4
Knowledge of more than one functional municipal field/discipline		4
Skills in Mediation		5
Skills in Governance		5
Competence as required by other national line sector		2



CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGERIAL and OCCUPATIONAL COMPETENCIES (CMC)	√(INDICATE CHOICE)	WEIGHT
departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		5
		100%

## 6. EVALUATING PERFORMANCE

6.1 The Performance Plan 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. `1

6.3 That the personal growth and development needs identified during performance review discussion must be documented in a **Personal Development Plan (PDP) (PART C)** as well as the actions agreed to and that implementation will take place within set time frames.

6.4 That annual performance appraisal will involve:

6.4.1 **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 must then be used to add the scores and calculate a final KPA score.**

6.4.2 **Assessment of the CMCs**

- (a) Each CMC 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 CMC.
- (c) The applicable **assessment rating calculator must then be used to add the scores and calculate a final CMC score.**

### 6.4.3 Overall rating

(a) An overall rating is calculated by using the applicable **assessment-rating calculator**. Such overall rating represents the outcome of the performance appraisal.

(b) The assessment of the performance of the Employee shall be based on the following rating scale for KPA's and CMCs:

(c)

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.					
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.					

*PR B*

(d) For purposes of evaluating the performance of the **Employee**, an evaluation panel constituted by the following persons will be established –

- (i) *Municipal Manager*
- (ii) *Chairperson of the performance Audit committee or the audit committee in the absence of a performance of a performance audit committee;*
- (iii) *Member of the mayoral or executive committee*
- (iv) *Municipal Manager from another Municipality*
- (v) *Member of the Ward Committee/or stakeholder representative.*

(e) The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations 6.4 (d)

## **7. SCHEDULE FOR PERFORMANCE REVIEWS**

7.1 The performance of each **Employee** in relation to 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:

<b>FIRST QUARTER</b>	:	<b>2<sup>ND</sup> WEEK OCTOBER 2022</b>
<b>SECOND QUARTER</b>	:	<b>2<sup>ND</sup> WEEK JANUARY 2023</b>
<b>THIRD QUARTER</b>	:	<b>2<sup>ND</sup> WEEK APRIL 2023</b>
<b>FOURTH QUARTER</b>	:	<b>2<sup>ND</sup> WEEK JULY 2023</b>

7.2 That the **Employer** shall keep a record of the mid-year review and annual assessment meetings.

7.3 That performance feedback shall be based on the **Employer's** assessment of the **Employee's** performance.

7.4 That **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.

7.5 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. DEVELOPMENTAL REQUIREMENTS

The **Personal Development Plan (PDP)** of an acting director will be implemented in terms of the WSP.

## 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 her to meet the performance objectives and targets established in terms of this **Agreement**; and
- 9.1.5 makes available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist her to meet the performance objectives and targets established in terms of this Agreement

## 10. CONSULTATION

10.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others: –

- 10.1.1 A direct effect on the performance of any of the **Employee's** functions;
- 10.1.2 Commit the **Employee** to implement or to give effect to a decision made by the **Employer**; 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% all-inclusive annual 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%, in terms of the Policy Framework of the District Municipality

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 counseling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his or her duties.

## 12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

12.1.1 In the case of managers directly accountable to the municipal manager, the executive mayor or mayor 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 Any disputes about the outcome of the employee's performance evaluation must be mediated by-

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

Whose decision shall be final and binding on both parties.

Handwritten signature in black ink, appearing to be 'M.R.B.' with a stylized flourish.

**13. GENERAL**

**13.1** The contents of this performance agreement will be made available to the public by the **Employer in accordance with the Municipal Finance Management Act, No. 56 of 2003**


**13.2** Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Employee** in terms of 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 **ORKNEY** on the 29<sup>th</sup> July 2022

**AS WITNESSES:**

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

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

 \_\_\_\_\_

**CHIEF AUDIT EXECUTIVE  
Mr. S.G MTEMEKWANA (EMPLOYEE)**

**AS WITNESSES:**

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

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

 \_\_\_\_\_

**MUNICIPAL MANAGER  
Mr. M.J RATLHOGO (EMPLOYER)**

**DR. KENNETH  
KAUNDA**

**DISTRICT MUNICIPALITY**



# **2022/2023 PERFORMANCE PLAN CHIEF AUDIT EXECUTIVE**

**6.3. KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

**Municipal Manager's Office: Internal Audit, Corporate Communications, Strategic Planning, Performance Management System, MISS-  
Municipal Information Security Standards, Speakers Office and Executive Mayor's Office**

BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION																
ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
TO PROMOTE GOOD GOVERNANCE																
OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2021/2022			KEY PERFORMANCE INDICATOR	WEIGHT	KPI TYPE	REVISED ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	QUARTERLY TARGETS				PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)							Q1	Q2	Q3	Q4	
Internal Audit	To ensure internal municipal excellence	Municipal Planning	2 approved strategic risk based Audit Plans (DRKKDM – 2020/21)	2 approved risk based strategic audit plans for the shared IA service	Nil	KPI 39 Number of approved risk-based audit plans for the shared IA service developed	20	Output	2 Approved risk-based audit plans for the shared IA service developed by 30 September 2022 (District & MHLM)	OPEX	-	Q1	Q2	Q3	Q4	2 Approved Risk Based Audit Plans (District & MHLM) Minutes of the Audit Committee Management Minutes/ Email Correspondence
Internal Audit	To ensure internal municipal excellence	Municipal Planning	Nil	Internal Audit quality assurance	Nil	KPI 40 External Audit quality assurance conducted	20	Output	Internal Audit quality assurance conducted by June 2023	OPEX	-	Q1	Q2	Q3	Q4	Internal Audit Quality Assurance Report





**BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION**

**ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE**

**TO PROMOTE GOOD GOVERNANCE**


**OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE**


FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2021/2022			KEY PERFORMANCE INDICATOR	WEIGHT	KPI TYPE	REVISED ANNUAL TARGET	BUDGET	MSCOA DESCRIPTION	QUARTERLY TARGETS				PORTFOLIO OF EVIDENCE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)							Q1	Q2	Q3	Q4	
Internal Audit	To ensure internal municipal excellence	Municipal Planning	Nil	Review and approval of the 2022/2023 Internal Charter by the Audit Committee	Nil	Review and approval of the 2022/2023 Internal Charter by the Audit Committee	20	Output	Review and approval of the 2022/2023 Internal Charter by the Audit Committee by 30 September 2022	OPEX	-	Q1	Q2	Q3	Q4	A signed copy of the 2022/2023 Internal Audit Charter; Minutes of the Audit & Risk Committee Attendance register
Internal Audit	To ensure internal municipal excellence	Municipal Planning	Nil	(6) Audit Committee meetings held	Nil	Number of Audit Committee meetings held	20	Output	(6) Audit & Risk Committee meetings held by 30 June 2023	OPEX	-	Q1	Q2	Q3	Q4	Minutes of the Audit Committee Attendance register

*R-*

**GENERIC KPIS: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

NATIONAL LG PRIORITIES		BUILD A DEVELOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION						PORTFOLIO OF EVIDENCE				
KPA 2		ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE										
OUTCOME 9		TO PROMOTE GOOD GOVERNANCE										
FUNCTIONAL AREA		OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE										
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	BASELINE 2021/2022			KEY PERFORMANCE INDICATOR	WEIGHT	KPI TYPE	ANNUAL TARGET	BUDGET	QUARTERLY TARGETS		
		Current status (Progress to date)	Demand (MF/MA Circular 63)	Backlog (MF/MA Circular 63)								
Performance Management Systems	To ensure internal municipal excellence	4 quarterly performance reports submitted	4 quarterly performance reports	Nil	KPI -A Number of quarterly performances reports (2022/2023) compiled	20	Output	4 quarterly performance reports (2022/2023) compiled by 30 June 2023	OPEX	Q1	1 quarterly performance reports (2022/2023) compiled by 30 September 2022	Quarterly performance reports
										Q2	1 quarterly performance reports (2022/2023) compiled by 31 December 2022	
										Q3	1 quarterly performance reports (2022/2023) compiled by 31 March 2023	
										Q4	1 quarterly performance reports (2022/2023) compiled by 30 June 2023	

Employee's Signature:   
 Date: 29/07/2022

Supervisor's Signature:   
 Date: 2022/07/29