

**Ingquza Hill Local Municipality**

**Performance Agreement**

**Made by and entered into between**

**INGQUZA HILL LOCAL MUNICIPALITY  
("the employer")**

**Represented by the Municipal Manager, Velile Castro Makedama duly  
authorized in terms of Section 57 (2) (c) of the Local Government: Municipal  
Systems Act No. 32 of 2000**

**And**

**Buhlebenkosi Sinelizwi Fikeni  
("Chief Financial Officer")**

**In his capacity as the Chief Financial Officer**

**2024/2025 FINANCIAL YEAR**

## ACRONYMS

<b>SDBIP</b>	-	Service Delivery and Budget Implementation Plan
<b>BEE</b>	-	Black Economic Empowerment
<b>EXCO</b>	-	Executive Committee
<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>PDP</b>	-	Personal Development Plan
<b>PA</b>	-	Performance Agreement
<b>PP</b>	-	Performance Plan
<b>OPMS</b>	-	Organisational Performance Management System

## 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 months period which the organization determines as its budget year.

## GENERAL PROVISIONS

### 1. INTRODUCTION

- 1.1 The Employer has entered into a permanent employment with the Chief Financial Officer 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, and 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 Manager/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 **Buhlebenkosi Sinelizwi Fikeni**, Chief Financial Officer and **Velle Castro Makedama**, the Municipal Manager. It is for the 2024/2025 financial year only. The expected performance reflected in this contract is based on the Integrated Development Plan 2024/2025 reviewed annually, and the 2024/2025 Service Delivery and Budget Implementation Plan.

The two afore-mentioned documents have been adopted as the working documents of Ingquza Hill Local Municipality and therefore, shall form the basis of performance assessment.

### 2. STRATEGIC OBJECTIVE

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

In addition to the 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.

The incumbent must perform any other functions as may be delegated to him by the Municipal Manager.

### **3. SCHEDULE FOR PERFORMANCE REVIEWS**

3.1 The performance of the Employee in relation to his or her performance agreement must 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>Quarter</b>	<b>Review Period</b>	<b>Review to be completed by</b>
1	July- Sep	October (informal)
2	Oct- Dec	January- February (Formal)
3	Jan- March	April (informal)
4	April- June	July- August (formal)

#### **3.2 Provided that reviews in the first and third quarter may be verbal if performance is satisfactory.**

3.2.1 The Employer must keep a record of the mid-year review and annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.

3.2.2 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented, or amended, provided that the Employee must be consulted before any such change is made.

3.2.3 The work performance and performance review will not be confined and limited to the performance plan, any incidental work outside the performance plan shall be performed and evaluated accordingly.

### **4. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT**

If the Manager achieves outstanding performance, he shall qualify for the annual performance bonus in accordance with clause 26 (a), (b) and (c) of the contract of employment, entered into between the Municipal Manager and the Chief Financial Officer on 17 August 2023, 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 Manager's achievement or otherwise of the KPIs as reflected in clause 4 of this contract.

Annexure A 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

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to 130 percent shall warrant some form of in-kind recognition, and below 50 percent, shall require the employer to effect remedial measures that may include 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 2024/25 shall be based on the provisions of the Local Government: Municipal Performance Regulations for 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.

**5. 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 criteria 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:

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.					

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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 management efforts to encourage improvement.					

The performance bonus payment shall be categorized in two bands with some 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).

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

#### **6. DEVELOPMENTAL REQUIREMENTS**

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

#### **7. CONSEQUENCE OF SUBSTANDARD PERFORMANCE**

Where the employer, at any time during the Manager'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 Chief Financial Officer 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.

#### **8. 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.

#### **9. TERM OF CONTRACT**

This contract shall be deemed to have been entered into on 01 July 2024 and will expire on the 30 June 2025. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2024. This Agreement will terminate on the termination of the Chief Financial Officer's contract of employment for any reason.

#### **10. LIMITATIONS OF THE CONTRACT**

This contract is an agreement between the employer and the Manager 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 Manager of his obligations to the Municipality or for any other valid reason in law.

**11. 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 his brief will be to assess the performance of the Manager 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 Corporate Services Manager shall provide secretariat services to the assessment team referred to above.

**12. DISPUTE RESOLUTION**

The Employer's disciplinary code and grievance procedure read with the Disciplinary Regulations for Senior Managers dated **21 April 2011** shall form an integral part of this agreement and the employee may lodge a complaint or grievance concerning an act or omission of the employer with the municipal council. The employee warrants that he is acquainted with the contents of the aforesaid documents and abides by the provisions thereof.

**13. 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.

**14. 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 2024.

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:

**ANNEXURE A: PERFORMANCE PLAN**

**ANNEXURE B: PERSONAL DEVELOPMENT PLAN**

**APPENDIX 1: COMMITMENT OF MANAGEMENT TEAM**

**APPENDIX 2: OBLIGATIONS OF THE EMPLOYER**

SIGNED at FLAGSTAFF this 29<sup>TH</sup> day of JULY 2024.

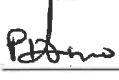
**CHIEF FINANCIAL OFFICER:**

1. Signature: 

2. Name Printed: BUHLEBENKOSI SINELIZWI FIKENI

**WITNESSES**

1. Signature:  Name Printed: NOMSA NGALAVU

2. Signature:  Name Printed: Pwe Shomo

**FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY**

**MUNICIPAL MANAGER**

Signature: 

Name Printed: VELILE CASTRO MAKEDAMA

**WITNESSES**

1. Signature:  Name Printed: Azabankomo Mvovo

2. Signature:  Name Printed: ANDILE NOSHA

**ANNEXURE "A": PERFORMANCE PLAN**

**15. KEY PERFORMANCE AREAS (KPAS) FOR 2024/2025**

**15.1 BASIC SERVICE DELIVERY**

OBJECTIVES	RATING CALCULATOR WEIGHTING	KPI's	TARGETS			MEANS OF VERIFICATION
			TIME	QUALITY	QUANTITY	
To ensure Institutional transformation and organizational development	5%	Complete utilization of Munsoft Accounting System in compliance with mSCOA for Capital Grants and reporting to Treasury	30/06/2025	As per DORA	100%	Monthly reports submitted with proof of submission to the Portfolio Committee
	5%	Expenditure of capital budget	30/06/2025	100%	100%	Expenditure Reports

**15.2 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION**

OBJECTIVES	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
			TIME	QUALITY	QUANTITY	
To ensure Institutional transformation and organizational development	5%	A trained workforce in terms of the Municipal Skills Plan and in terms of individual training needs	30/06/2025	100%	100%	Attendance Registers for the policy workshops

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**15.3 LOCAL ECONOMIC DEVELOPMENT (LED)**

OBJECTIVES	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS		MEANS OF VERIFICATION
			TIME	QUANTITY	
To ensure Institutional Transformation and Organizational Development	2.5%	Procurement of Goods and Services from local emerging entities in support of Local Economic Development	30/06/2025	As per adopted SCM Policy	Report form the SCM Unit and Internal Audit; Procurement plan
	2.5%	Percentage of invoices paid within 30 days after receipt and confirmation.	30/06/2025	100%	Creditors Age Analysis

**15.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

OBJECTIVES	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS		MEANS OF VERIFICATION
			TIME	QUANTITY	
To promote and enhance financial viability for Ingquza Hill Local Municipality	10%	Number of prepared and adopted funded Budget by 31 May 2025	31/05/2025	As per MFMA	Council resolutions on the adoption of annual and adjusted budgets
	5%	Number of prepared and adopted adjusted budget by 28 February 2024	28/02/2025	As per MFMA	Budget Summary and Council Resolution & B Schedule
	5%	Number of S71 reports submitted to the Treasury with 10 working days.	Monthly	As per MFMA	Signed Quality Certificate and proof of submission
	10%	Number of S52 (d) reports submitted to the Mayor and Treasury within 30 days after the end of the quarter	Quarterly	As per MFMA standards	Signed Quality Certificate and proof of submission

OBJECTIVES	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
			TIME	QUALITY	QUANTITY	
			25/01/2025	As per MFMA section 72	1	
31/08/2024	As per MFA and GRAP standards	1	Acknowledgement letter from AG			
30/06/2025	As per debt collection policy	80%	Revenue Collection report against billing.			
30/06/2025	As per asset management policy	4	Confirmation of insurance for all Municipal Assets			
30/06/2025	As per approved procurement plan	85%	Quarterly progress report on Procurement Plan.			
30/06/2025	In terms of the SDBIP for 2023/24	1	Auditor General Management letter			

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#### 14.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVES	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
			TIME	QUALITY	QUANTITY	
To promote good governance and public participation	2.50%	Strategic Planning and Departmental Meetings/sessions/worksh ops held with staff	30/06/2025	In terms of the SDBIP for 2023/24	100%	Quarterly reports on workshops/and or sessions
	2.50%	Number of BTO Policies reviewed.	31/05/2025	In terms of the SDBIP for 2023/24	1	Council resolution
<b>TOTAL KPAs</b>	<b>100%</b>					

#### 16. 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) Supply Chain Management (Objective 15.4)
- 6) Accountability and Ethical Conduct (Objective 15.5)

OBJECTIVES	WEIGHTING	KPI's	TARGETS			MEANS OF VERIFICATION
			TIME	QUALITY	QUANTITY	
16.1 Financial Management: To ensure efficient, effective, economic financial reporting and management	40%	a. Continuous sensitization of management and staff on the cost-saving and belt tightening initiatives, and regular report back on progress in this regard.	30/06/2025	N/A	100%	Minutes of management and staff meetings confirming sensitization of management on cost-saving and belt tightening initiatives.
16.2 People Management and	10%	a. Number of training needs	30/06/2025	MFMA	100%	Needs assessments reports; and

OBJECTIVES	WEIGHTING	KPI's	TARGETS		MEANS OF VERIFICATION
			TIME	QUALITY	
<b>Empowerment:</b> To create an environment that is suitable and conducive to training	10%	assessments conducted.			Registers of trainings attended
<b>16.3 Client Orientation and Customer Focus:</b> To ensure sound customer relations	10%	a. Turnaround time for debtors' queries	30/06/2025	Process query within 7 working days	As per queries register
<b>16.4 Strategic Capability and Leadership:</b> To ensure proper planning – long term and departmental planning	20%	a. Submission/Contribution towards Integrated Development Plan	30/06/2025	N/A	100%
<b>16.5 Accountability and Ethical Conduct</b>	10%	a. Number of reports on ethical conduct on handling departmental matters.	30/06/2025	N/A	4
Total	100%				Quarterly Reports

**NB:** All performance requirements have a deadline of 30 June 2025, unless stated otherwise in the requirements.

**ANNEXURE "B"**

**PERSONAL DEVELOPMENT PLAN**

**NAME:** BUHLEBENKOSI SINELEZWI FIKENI  
**JOB TITLE:** CHIEF FINANCIAL OFFICER  
**EMPLOYER:** INGQUZA HILL LOCAL MUNICIPALITY  
**FINANCIAL YEAR:** 2024/2025

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
1. Strategic financial management and reporting	Receive the appropriate training on financial reporting through GRAP training and updates on CaseWare	Municipal Manager.	By 30 June 2025	Improve quality of financial report to assist decision making
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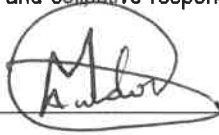
**APPENDIX 1**

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

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I, Ayanda Mongezi Ndabeni hereby make this commitment to support the **Chief Financial Officer**, Buhlebenkosi Sinelizwi Fikeni to achieve targets as set in this performance contract between him and the employer. As a support manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

1. Signed by



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**AYANDA MONGEZI NDABENI**  
**MANAGER: REVENUE, BUDGET & REPORTING**

2. Signed by



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**SIKHO VINCENT MZANA**  
**MANAGER: ASSET, FLEET & EXPENDITURE**

## 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 Manager.

#### **1.3 Facilities and Equipment**

1.3.1 During the full period of the performance contract, the employer shall avail to the Manager 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) weeks 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 Manager 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 Manager**

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 Chief Financial Officer shall be the Head of the Budget And Treasury Office, 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 of 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 Office 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 Office, to the Municipal Manager on a monthly and quarterly basis for information purposes.
  - 2.1.1.7 Assessing performance reports for Budget and Treasury Office 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.
- 2.1.2 The Chief Financial Officer shall ensure that his staff has access 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 Office 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 Chief Financial Officer 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

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 Chief Financial Officer 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 Chief Financial Officer 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 4 of this contract.

## 2.5 Reporting

- 2.5.1 The Chief Financial Officer shall submit detailed quarterly reports on the operation of the Budget and Treasury Office 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 Chief Financial Officer 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 Office.

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

The Chief Financial Officer 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 Chief Financial Officer 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, and the Municipal Internal Auditor shall ensure that no payments are effected contrary to this arrangement.

## 2.9 Books and Records

The Manager 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> July 2023 and end on the 30<sup>th</sup> June 2024, 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 Manager must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

## 2.11 Budget

- 2.11.1 During the budget process the Manager shall make the necessary submissions to the Budget and Treasury 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 Manager to incur expenditure accordingly and in line with the performance targets indicated in this performance contract.

## 2.12 Liability

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

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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