

INGQUZA HILL LOCAL MUNICIPALITY

PERFORMANCE AGREEMENT

Made by and entered into between

Municipal Manager : Mr.V.C Makedama

And

Manager: IDP and PMS : Azabenokanyo Mvovo

2024/2025 FINANCIAL YEAR

ACRONYMS

SDBIP	-	Service Delivery and Budget Implementation Plan
BEE	-	Black Economic Empowerment
EXCO	-	Executive Committee
HOD	-	Head of Department
IDP	-	Integrated Development Plan
LED	-	Local Economic Development
MFMA	-	Municipal Finance Management Act, No. 56 of 2003
KPA	-	Key Performance Area
KPI	-	Key Performance Indicators
CCR	-	Core Competency Requirements
RSA	-	Republic of South Africa
SCM	-	Supply Chain Management
PDP	-	Personal Development Plan
PA	-	Performance Agreement
PP	-	Performance Plan
OPMS	-	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 performance agreement with the **Manager: IDP and PMS**: for a period of (one) 1 year, from 01 July 2022, ending on 30 June 2023.
- 1.2 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Manager: IDP and PMS** reporting to the Municipal Manager representing the municipality, to a set of actions that will secure local government policy goals.
- 1.3 This performance agreement is between Azabenokhanyo Mvovo, the **Manager: IDP and PMS**, and the **Director: IDP and PMS**. It is for the 2024/2025 financial year only. The expected performance reflected in this agreement is based on the Integrated Development Plan of 2024/2025 reviewed, 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 be the basis of performance assessment.

2. STRATEGIC OBJECTIVE

The **Manager: IDP and PMS** reports to the **Municipal Manager** and is accountable for administrative functions performed by:

PMS Officer : **Sinazo Gono**

IDP Clerck : **Thabisio Dlungwana**

And any other functions as may be delegated by the **Municipal Manager**.

3. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the **Manager: IDP and PMS** achieves outstanding performance *in line with the ratings as contained in this agreement*, he shall qualify for the annual performance bonus in accordance with the performance management policy, budget availability and formulae, as well as the results of the performance evaluation agreed to in this agreement. 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 : IDP and PMS** achievement or otherwise of the KPIs as reflected in this agreement.

Annexure A attached has listed Key Performance Areas (KPIs). These will be evaluated on a straight line bases. These performance areas will be worth 100%. The key performance indicators 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 95 to 100% percent shall be regarded as 100% bonus warranting, above 80 percent to 94 percent, as average and warranting 80% of performance bonus, above 50 percent to 79 percent shall warrant 50% of the performance bonus, and below 50 percent, shall require the employer to effect remedial measures that may include incapacity or disciplinary enquiry.

The above performance thresholds 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 agreement; and
- III. Approval of such evaluation by the Municipal Council as a reward for outstanding performance or effective performance.

4. EVALUATING PERFORMANCE

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

		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 accountability contract 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 categorised 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 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 agreement and the applicable laws. The calculation of the bonus will be 14% of the total package of the negotiated package of the employee assessed (e.g. if the employee gets R100 000 total cost to the employer, R14 000 will constitute 100% of the performance bonus)

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

4.1. The Employee must be assessed on his performance in terms of the performance indicators identified in the attached Performance Plan and include–

- (a) the Key Performance Areas; and
- (b) Core Managerial Competencies.

4.2. The Key Performance Areas will make up 80% of the Employee's assessment score, and will contain the following areas of which all of them are compulsory and weights must be allocated to each of them according to the scale of core and functional responsibilities:

Key Performance Areas (100% of Total)	Weighting
Municipal Transformation and Institutional Development	5
Local Economic Development	0
Financial Viability and Management	5
Good Governance and Public Participation	90
Total	100%

4.3. The **Core Management Criteria** will make up the other 20% of the Employee's assessment scores

4.4. The **Core Competency Requirements** are deemed to be most critical for the Employee's specific job and only ten (10) of them should be selected from the list below including the compulsory CMC s as agreed to between the Employer and Employee:

No	Competency Required	Category	✓	Weight
1	Financial Management - Compulsory	Core Managerial Competency	X	5
2	People Management - Compulsory		X	5
3	Client orientation and Customer Care - Compulsory		X	5
4	Strategic Capability		X	5

5	Programme and Project Management		X	5
6	Change Management		X	5
7	Knowledge Management		X	5
8	Service Delivery Innovation			5
9	Problem Solving and Analytical Thinking		X	5
10	Communication		X	5
11	Honesty and Integrity		X	5
12	Competence in Self-Management	Core Occupational Competencies	X	5
13	Interpretation of and implementation within the legislative and national policy frameworks		X	5
14	Knowledge of developmental local government			
15	Knowledge of Performance Management and Reporting		X	5
16	Knowledge of global and South African specific political, social and economic contexts			5
17	Competence in policy conceptualization, analysis and Implementation		X	5
18	Knowledge of more than one functional municipal field/ Discipline			5
19	Skills in Mediation			
20	Skills in Governance		x	5
21	Competence as required by other national line sector Departments		x	5
22	Exceptional and dynamic creativity to improve the functioning of the municipality			5
TOTAL				100%

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 **Manager: IDP and PMS** employment, is not satisfied with the performance with respect to any matter dealt with in this Agreement, the

employer will give notice to the **Manager: IDP and PMS** to attend a monitoring and review meeting.

The **Manager : IDP and PMS** will have the opportunity at the meeting to satisfy the **Director of Planning and Economic Development** 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 agreement 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 AGREEMENT**

This agreement shall be deemed to have been entered into on the **1st of July 2024** and will expire on the **30 of June 2025**. The parties will conclude a new performance agreement that replaces this agreement contract by no later than **31 July 2024**. This Agreement will terminate on the termination of the Manager: IDP & PMS contract of employment.

9. **LIMITATIONS OF THE CONTRACT**

This contract is an agreement between the employer and the Manager: IDP and PMS about the expected performance of the latter during the specified term. This contract is subject to the employment contract which the Manager: IDP and PMS entered into on accepting his position and to the South African legislation. In the case of any ambiguity, the employment contract shall prevail over this performance agreement. Nothing contained in this Agreement in any way limits the right of the employer to terminate the Manager: IDP and PMS contract of employment for any other breach by the Manager: IDP and PMS of his obligations to the Municipality or for any other valid reason in law.

10. **MONITORING AND EVALUATION**



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. Director of Corporate Services and
- II. A member of the Portfolio Committee.

Signature: 

Name Printed: Azabenokanyo Mvovo

WITNESSES

1. Signature:  Name Printed: SIPHELELE NGIDI
2. Signature:  Name Printed: ANDILE MOSHA



FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY

MUNICIPAL MANAGER

Signature: 

Name Printed: VELLE MAKEDAMA

WITNESSES

1. Signature:  Name Printed: A. Hlorra
2. Signature:  Name Printed: F. HEHLISO

14. KEY PERFORMANCE AREAS (KPAS) FOR 2024/2025)
14.1. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PROJECT	BASELINE	KEY PERFORMANCE AREA	ANNUAL TARGET	QUARTERLY				TOTAL BUDGET	MEANS OF VERIFICATION	WEIGHTING
				Quarter 1	Quarter 2	Quarter 3	Quarter 4			
Monitoring of institutional quarterly performance	PMS Policy adopted by Council and reports submitted quarterly	5.1.1. Number of quarterly reports to be reviewed by Management	4	1	1	1	R0,00	Attendance registers and minutes	10	
Monitoring of institutional monthly performance	PMS Policy available and reporting timelines set	5.1.2. Number of monthly reports to be reviewed by Management	12	3	3	3	R0,00	Attendance registers and minutes	15	
The tabling of reports to the Council	PMS Policy available and reporting timelines set	5.1.3. Number of reports to be tabled to Council	7	1	2	3	R0,00	Council attendance register and minutes	5	
IDP Planning and revision - Sitting of IDP meetings	IDP Process Plan has been adopted by Council	5.2.1. Number of IDP meetings held.	5	2	N/A	2	R68 000,00	Attendance registers and minutes	20	
IDP Planning and revision- Sitting of departmental strategic planning sessions	IDP Process Plan has been adopted by Council	5.2.3. Number of Departmental Strategic Planning Sessions to be held	6	0	6	0	R0,00	Consolidated Strategic Report and Attendance Register	15	
IDP Planning and revision- Sitting of institutional strategic planning session	IDP Process Plan has been adopted by Council	5.2.4. Number of Institutional Strategic Planning Sessions to be held	1 strat plan and 1 Exco Lekgotla	0	0	1 strat plan and 1 Exco Lekgotla	R0,00	Attendance Register and Report	5	
Public	IDP Process	5.7.1. Number of	1	N/A	N/A	1	R0,00	Attendance registers and	20	

Participation- IDP and Budget Roadshows	Plan has been adopted by Council	IDP and Budget Roadshows							community inputs	
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14.2 MUNICIPAL INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

PROJECT	BASELINE	KEY PERFORMANCE AREA	ANNUAL TARGET	QUARTERLY				TOTAL BUDGET	MEANS OF VERIFICATION	WEIGHTING
				Quarter 1	Quarter 2	Quarter 3	Quarter 4			
Facilitate the signing of performance agreements	PMS policy in place. Signed performance agreements in 2023/2024	2.2.13. % of senior and middle managers with performance agreements by 31 July each year	1	1					Signed Performance Agreement	2,5
Facilitate the sitting of performance assessments	PMS policy in place	2.2.14. Number of performances assessment conducted for senior and middle managers.	4	1	1	1	1		Attendance register and report	2,5

14.3. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

PROJECT	BASELINE	KEY PERFORMANCE AREA	ANNUAL TARGET	QUARTERLY				BUDGET	MEANS OF VERIFICATION	WEIGHTING
				Quarter 1	Quarter 2	Quarter 3	Quarter 4			
Implementation of activities in the procurement plan	Procurement plan was implemented monthly in 2023/24 financial year	4.6.1. % implementation of activities in the Procurement Plan	85%	85%	85%	85%	R0.00	Attendance Register and report	2,5	
Unqualified Audit Opinion with matters of emphasis	Approved Audit Action Plan for 2022/2023 fy	4.8.1 Achievement of Unqualified Audit Opinion with matter of emphasis	1	n/a	1	n/a	R0.00	Auditor Geral Management letter	2,5	

15. CORE COMPETENCIES REQUIREMENTS (CCRs) SELECTED CORE COMPETENCIES REQUIREMENTS

The CCRs will make up the other 20% of the employee's assessment score. CCR's that are deemed to be most critical for Employee's specific job should be selected from the below as agreed to between the Employer and Employee.

CORE COMPETENCY REQUIREMENTS (CCR FOR EMPLOYEES)		
CORE MANAGERIAL COMPETENCY (CMC)	✓	WEIGHT
Strategic Capability and Leadership	X	10
People Management	X	10
Program and Project Management	X	10
Financial Management	X	10
Change leadership	X	10
Governance Leadership	X	10
CORE OCCUPATIONAL COMPETENCIES (COC)		
Moral competency	X	05
Planning and Organization	X	10
Analysis and Innovation	X	10
Knowledge and Information Management	X	10
Communication	X	05
Total	X	100%

ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: AZABENOKANYO MVOVO

JOB TITLE: MANAGER: IDP AND PMS

EMPLOYER: INGQUZA HILL LOCAL MUNICIPALITY

FINANCIAL YEAR: 2024/2025 FY

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
Municipal Executives Management Programme	Attend a CPMD program to enhance knowledge, understand of the Management functions in terms of Reporting, Compliance requirements, financial planning and management and obligations.	A Mvovo	30/06/2025	Achievement of the minimum competency requirement for management level and financial officials in terms of the prescription of the regulations.
Masters for Public Administration	Registration for the Masters	A Mvovo	30/06/25	Completed Masters

ANNEXURE "C"


FINANCIAL DISCLOSURES

APPENDIX 1

Commitment of Support Team reporting directly to the Manager IDP and PMS

We hereby make this commitment to support the Manager IDP and PMS, to achieve targets as set in this performance agreement between him and the employer. As support staff, 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**
NAME
POSITION



Sinazo Gono
PMS Officer

2. **Signed by**
NAME
POSITION



Thabiso Dlungwana
IDP Cleck

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 Manager Human Resources. 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 support staff reporting directly to the Manager: Human Resources.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance agreement, the employer shall avail to the Manager: IDP and PMS 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 Manager IDP and PMS 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: IDP and PMS

The employer reserves the right to take appropriate action to replace the Manager: IDP and PMS as per employment contract.

2 OBLIGATIONS OF THE MANAGER IDP & PMS

2.1. Conditions of service

The Manager IDP and PMS shall report to the **Municipal Manager**, subject to the conditions of service as stipulated by the employer. The conditions of service of the Manager: IDP and PMS shall include but not be restricted to:

- 2.1.1.1 Setting of specific of targets for staff reporting to her.
 - 2.1.1.2 Advise **Municipal Manager** on all matters including progress made in the implementation of the SDBIP.
 - 2.1.1.3 Assist in setting and monitoring of performance indicators for the Municipal Manager and execute corrective measures as and when necessary.
 - 2.1.1.4 Assist in 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 Assist in assessing performance reports for Municipal Manager staff where necessary.
 - 2.1.1.7 Assist in the preparation of the annual budget and once approved, adhering to it.
 - 2.1.1.8 Assist in implementing strategies to improve the morale of staff.
 - 2.1.1.9 Attending meetings and other occasions on behalf of the department as delegated by the **Municipal Manager**.
- 2.1.2 The Manager: IDP and PMS shall ensure that her staff have access and are well informed about the disciplinary procedure of the municipality.
- 2.1.3 Making recommendations to the Municipal Manager to hire staff in the Municipal Manager's Office as the need arises.
- 2.1.4 Assist in 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 Manager IDP and PMS 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 Assist in 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 Manager: IDP and PMS shall exercise all his skills, reasonable care, responsibility and diligence in discharge of his duties under this agreement. The Manager: IDP and PMS 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 Manager: IDP and PMS in terms of her 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 Manager: IDP and PMS undertakes to supervise personnel in her division. 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 Manager IDP and PMS shall do all in her power to achieve the targets and milestones indicated in the municipal IDP and SDBIP.

2.4.2 The Manager: IDP and PMS 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 agreement.

2.5 Reporting

2.5.1 The Manager IDP and PMS shall submit detailed monthly, quarterly, midterm and annual reports on the operation of the **Integrated Development Planning and Performance Management Division** to the Municipal Manager. The reports shall include details of achievement of targets and milestones for that quarter for information purposes including portfolio of evidence. The quarterly report should reach the employer within one month after the quarter in question has lapsed.

2.5.2 The Manager IDP & PMS also undertakes to submit any other report/s as required by the **Municipal Manager**

2.6 Expenditure

The Manager: IDP and PMS shall be responsible for the implementation of the approved operational and capital budget of the IDP & PMS of Municipal Manager Department as delegated by the **Municipal Manager**

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

The Manager: IDP and PMS 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 Manager: IDP and PMS 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 agreement. 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: IDP and PMS 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 1st July 2024 and end on the 30th June 2025, 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 IHLM policies and can utilize the services of an Auditor in this regard.

2.10.3 The Manager: IDP and PMS 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: IDP and PMS shall make the necessary submissions to the Municipal Manager 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: IDP and PMS.

2.11.3 To incur expenditure accordingly and in line with the performance targets indicated in this performance contract.

2.12 Liability

The Manager: IDP and PMS 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 Manager: IDP and PMS 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 agreement. If either party discovers such circumstances, during the course of operation of this agreement, 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.