



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

2025/2026 FINANCIAL YEAR

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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	-	Organizational 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 months period which the organization determines as its budget year.

GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 The Employer has entered 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 **Velile Castro Makedama**, the Municipal Manager. It is for the 2025/2026 financial year only. The expected performance reflected in this contract is based on the Integrated Development Plan 2025/2026 reviewed annually, and the 2025/2026 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

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- (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:

Quarter	Review Period	Review to be completed by
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 Chief Financial Officer 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 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 2025/26 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

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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 2025 and will expire on the 30 June 2026. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2026. 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.

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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 2025.

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

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SIGNED at FLAGSTAFF this 25TH day of JULY 2025.

CHIEF FINANCIAL OFFICER:

1. Signature: _____



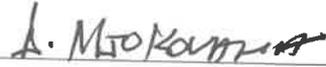
2. Name Printed: BUHLEBENKOSI SINELIZWI FIKENI

WITNESSES

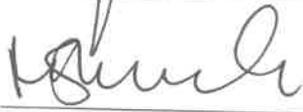
1. Signature: _____



Name Printed: A. MOKOMI



2. Signature: _____



Name Printed: M. B. MAMBATHE



FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY

MUNICIPAL MANAGER

Signature: _____



Name Printed: VENKE CASTRO MAKEDAMA



WITNESSES

1. Signature: _____



Name Printed: A. HUEHLISO



2. Signature: _____



Name Printed: A. MOSHTA



ANNEXURE "A": PERFORMANCE PLAN

15. KEY PERFORMANCE AREAS (KPAS) FOR 2025/2026

KEY PERFORMANCE AREA	WEIGHTING
Basic Service Delivery	10%
Municipal Institution Development and Transformation	05%
Planning and Local Economic Development	05%
Municipal Financial Viability and Management	70%
Good Governance and Public participation	10%
Total	100%

15.1 BASIC SERVICE DELIVERY

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Quarter 1		Quarter 2		Quarter 3		Quarter 4		TOTAL BUDGET	MEANS OF VERIFICATION	WEIGHTING
				Target		Target		Target		Target				
To ensure Institutional transformation and organizational development		Complete utilization of Munsoft Accounting System in compliance with mSCOA for Capital Grants and reporting to Treasury	100%	100%		100%		100%		100%		None	Monthly reports submitted with proof of submission to the Portfolio Committee	5%
				25%		50%		75%		100%				

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15.2 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Quarter 1		Quarter 2		Quarter 3		Quarter 4		TOTAL BUDGET	MEANS OF VERIFICATION	WEIGHTING
				Target		Target		Target		Target				
To ensure institutional transformation and organizational development		A trained workforce in terms of the Municipal Skills Plan and in terms of individual training needs	100%	100%		100%		100%		100%		None	Attendance Registers for the policy workshops	5%

15.3 LOCAL ECONOMIC DEVELOPMENT (LED)

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Quarter 1		Quarter 2		Quarter 3		Quarter 4		TOTAL BUDGET	MEANS OF VERIFICATION	WEIGHTING
				Target		Target		Target		Target				
To ensure institutional transformation and organizational development	All valid invoices are paid within 30 days	Percentage of invoices paid within 30 days after receipt and confirmation.	100%	100%		100%		100%		100%		None	Creditors Age Analysis	2,5%
To workshop Local SMME's on the bid processes and requirements	Workshop last done in the 2021/22 Financial Year	Workshop for Local SMME's and other businesses	1	1		N/A		N/A		N/A		None	Attendance Register	2,5%

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15.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

IDP No.	PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Quarter 1		Quarter 2		Quarter 3		Quarter 4		TOTAL BUDGET	MEANS OF VERIFICATION (POE)	WEIGHTING
					Target	Budget	Target	Budget	Target	Budget	Target	Budget			
4.1.	Preparation and submission of funded annual budget in compliance with budget circular by June 2026	Annual and adjustment budgets for 2023-24 adopted by council	4.1.1. Number of prepared and adopted funded budgets in compliance with circulars for 2026/2027 FY by June 2026	2	N/A	N/A	N/A	-	1	N/A	1	N/A	R0.00	Budget Summary and Council Resolution & A Schedule and proof of submission to treasury portal	15%
4.1.	Preparation and submission of financial monthly reports to the Treasury within 10 working days after the end of the month by June 2026	The municipality complies with section 71 of the MFMA. 12 Monthly reports submitted	4.1.3. Number of S71 financial monthly reports submitted to the mayor and Treasury within 10 working days after the end of the month by June 2026	12	3	R	-	3	R	-	3	R	R0.00	Signed Quality Certificate and proof of submission	5%
4.1.	Preparation and submission of Section 52 (d) quarterly reports submitted to the Mayor and Treasury within 30 days after the end of the quarter by June 2026	The municipality complies with section 52 (d) of the MFMA. 4 quarterly reports submitted	4.1.4. Number of S52 (d) quarterly reports submitted to the Council and Treasury within 30 days after the end of the quarter by June 2026	4	1	R	-	1	R	-	1	R	R	Signed Quality Certificate and proof of submission	10%

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4.1.	Preparation and submission of section 72 (mid-term) report submitted to Mayor and Treasury by 25 January 2026	The municipality complies with section 72 of the MFMA. 1 mid-term report submitted annually	4.1.5. Number of S72 (mid-term) reports submitted to Mayor and Provincial and National Treasury by 25 January 2026	1	N/A	N/A	R	-	R	N/A	R	R	Signed Quality Certificate and proof of submission	5%
4.1.	Preparations and submission of the AFS submitted to Auditor General, National Treasury and Provincial Treasury by 31 August 2025	AFS for 2022/23 were submitted	4.1.6. Number AFS submitted to Auditor General, National Treasury and Provincial Treasury by 31 August 2025	1	N/A	R2 500 000	R	-	R	N/A	R	R 2 500 000	Acknowledgement letter from AG	10%
4.3.	Collection of Debt from all billed municipal consumers by June 2026	Report on Revenue collection for 2023/2024 FY. 86% was collected for 2023/2024 fy	4.3.1. % Collection of debtors from all billed consumers by June 2026	85%	85%	R	R	-	R	85%	R	R0.00	Revenue Collection report	5%
4.5.	Confirmation of insurance for all Municipal Assets by June 2026	All Municipal assets were insured by 2023/24 financial year. Assets are insured as they are procured	4.5.2. Number of confirmations of Insurance for Municipal Assets by June 2026	4	1	R3 500 000.00	R-	-	R	1	R	R3 500 000.00	Confirmation of insurance for all Municipal Assets	10%
4.6.	Implementation of activities in the procurement plan by end June 2026	Procurement plan was implemented on a monthly basis in 2023/24 financial year	4.6.1. % implementation of activities in the Procurement Plan by end June 2026	85%	25%	R	R	-	R	75%	R	R	Quarterly progress report on Procurement Plan.	10%

6.5.

Provision of Free Basic Services to deserving and qualifying households by June 2026	Free Basic Services provided to households in the IHLM	4.9.1. Percentage distribution of FBS to deserving and qualifying households by June 2026	100%	100%	R 3 250 000	R 13 000 000	Report on delivery of FBS	5%						
													Distribution registers of FBS	
													Eskom Reports on provision of 50kW to qualifying households	

14.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

IDP No.	PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL BUDGET	MEANS OF VERIFICATION (POE)	WEIGHTING
4.3.	Review of Budget and Treasury-related Policies by June 2026	Budget and Treasury Policies were reviewed in 2024/2026	4.3.2. Number of times Budget and Treasury related policies reviewed and adopted by council by June 2026	1	N/A	N/A	N/A	1	R 200 000	Signed Council Resolution	2,5%
	Compilation of the 2025/26 Strategic Plan	Strategic Planning Processes held for the 2024/25 Financial Year	Strategic Planning and Departmental Meetings/sessions/w orkshops held with staff	1	N/A	N/A	N/A	1	N/A	Strategic Plan Reports.	2,5%

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)

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CORE COMPETENCY REQUIREMENTS (CCR FOR EMPLOYEES)		
CORE MANAGERIAL COMPETENCY (CMC)		WEIGHT
Strategic Capability and Leadership	✓	10
People Management	✓	10
Program and Project Management	✓	05
Financial Management	✓	40
Change leadership		
Governance Leadership	✓	10
CORE OCCUPATIONAL COMPETENCIES (COC)		
Moral competency		
Planning and Organization	✓	5
Analysis and organization		
Analysis and Innovation	✓	05
Knowledge and Information Management	✓	10
Communication	✓	5
Total		100%

NB: All performance requirements have a deadline of 30 June 2026, unless stated otherwise in the requirements.

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ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: BUHLEBENKOSI SINELIZWI FIKENI
JOB TITLE: CHIEF FINANCIAL OFFICER
EMPLOYER: INGQUZA HILL LOCAL MUNICIPALITY
FINANCIAL YEAR: 2025/2026

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 2026	Improve quality of financial report to assist decision making

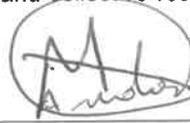
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APPENDIX 1

Commitment of Management Team reporting directly to the Manager

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



AYANDA MONGEZI NDABENI
MANAGER: REVENUE, BUDGET & REPORTING

2. Signed by



SIKHO VINCENT MZANA
MANAGER: ASSET, FLEET & EXPENDITURE

3. Signed by



ASITHETHI NTONGANA
MANAGER: SUPPLY CHAIN MANAGEMENT

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.

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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.

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2.10 Financial Procedures

- 2.10.1 Financial year shall commence on the 1st July 2023 and end on the 30th 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.