INGQUZA HILL
LOCAL MUNICIPALITY

PERFORMANCE AGREEMENT

Made by and entered into between

Chief Financial Officer
(Buhle Fikeni)

And

Manager: Assets, Fleet Management
(Siphosethu Jojo)

2026/2027 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: Assets, Fleet Management** : for a period of (one) 1 year, from 01 July 2026, ending on 30 June 2027.

1.2 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Manager: Assets, Fleet Management** reporting to the Chief Financial Officer representing the municipality, to a set of actions that will secure local government policy goals.

1.3 This performance agreement is between Siphosethu Jojo, the **Manager: Assets, Fleet Management,** and the **Chief Financial Officer (CFO).** It is for the 2026/ 2026 financial year only. The expected performance reflected in this agreement is based on the Integrated Development Plan of 2026/2027 reviewed, and the 2026/ 2027 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: Assets, Fleet Management** reports to the **Chief Financial Officer** is accountable for administrative functions performed namely:

Asset Management	**: Olwethu Nomdlembu**
Expenditure Management	**: Mbuso Mvava**
Fleet Management	**: Nomfundo Nxumalo**
Fleet Management	**: Justice Mafukula**

And any other functions as may be delegated by the **Chief Financial Officer.**

3. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the **Manager: Asset, Fleet Management** 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: Asset, Fleet Management** achievement or otherwise of the KPIs as reflected in this agreement.

Annexure A attached has listed Key Performance Areas (KPAs). 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.

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)

Most importantly, the municipality will develop a tool to measure performance on the five point rating system:

The ratings are explained as follows:

Rating	Terminology	Description
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The key appraisal indicates that the employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Performance not fully effective	Performance is below the stand required for the job in the 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 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 (80% of Total)	**Weighting**
Financial Viability and Management	**80**
Good Governance and Public Participation	**10**
Municipal Istitution & Dvelopment Transformation	**10**
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	10
2	People Management - Compulsory		X	10
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	10
7	Knowledge Management		X	10
8	Service Delivery Innovation			
9	Problem Solving and Analytical Thinking		X	10
10	Communication		X	5
11	Honesty and Integrity		X	5
12	Competence in Self-Management		X	5
13	Interpretation of and implementation within the legislative and national policy frameworks		X	5
14	Knowledge of developmental local government			5
15	Knowledge of Performance Management and Reporting		X	5
16	Knowledge of global and South African specific political, social and economic contexts			
17	Competence in policy conceptualization, analysis and Implementation	Core Occupational Competencies	X	5
18	Knowledge of more than one functional municipal field/ Discipline			
19	Skills in Mediation			
20	Skills in Governance			
21	Competence as required by other national line sector Departments			
22	Exceptional and dynamic creativity to improve the functioning of the municipality			

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: Assets, Fleet Management** 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: Assets, Fleet Management** to attend a monitoring and review meeting.

The **Manager : Assets, Fleet Management** will have the opportunity at the meeting to satisfy the **Chief Financial Officer** 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 2026** and will expire on the **30th of June 2027**.The parties will conclude a new performance agreement that replaces this agreement contract by not later than **31 July 2026**. This Agreement will terminate on the termination of the **Manager: Assets, Fleet Management** contract of employment.

9. LIMITATIONS OF THE CONTRACT

This contract is an agreement between the employer and the **Manager: Assets, Fleet Management** about the expected performance of the latter during the specified term. This contract is subject to the employment contract which the **Manager: Assets, Fleet and Management** 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: Assets, Fleet Management** contract of employment for

any other breach by the **Manager: Assets, Fleet and Management** 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. Chief Financial Officer
II. Senior Manager Coporate services
III. Manager IDP and Perfomance Management.

The **Manager Human Resources or** (Nominee) shall provide secretariat services to the assessment team referred to above.

11. DISPUTE RESOLUTION

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

12. JURISDICTION

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

13. WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the **Manager: Assets, Fleet Management** with effect from **01 July 2026.**
No agreement, varying, adding to, deleting from or canceling this contract, shall be effective unless reduced in 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**
ANNEXURE C:	**FINANCIAL DISCLOSURES**
APPENDIX 1 :	**COMMITMENT OF SUPPORT TEAM**
APPENDIX 2 :	**OBLIGATIONS OF THE EMPLOYER**

SIGNED at Flagstaff on this **24** day of **July 2026**

MANAGER: ASSET,FLEET MANAGEMENT

Signature: _____

Name Printed: SIPHOSETHU JOJO

WITNESSES

1. **Signature:** _____ Name Printed: Asithethi Ntongana

2. **Signature:** _____ Name Printed: Sakho Mzaza

FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY

CHIEF FINANCIAL OFFICER (CFO)

Signature: _____

Name Printed: BUHLE FIKENI

WITNESSES

1. **Signature:** _____ Name Printed: Nomsa Ngalavu

2. **Signature:** _____ Name Printed: Nomfundo Nxumalo

DEPARTMENTAL: FINANCIAL SERVICES -FINANCIAL VIABILITY AND MANAGEMENT

IDP No	PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Weighting	Quarter 1		MEANS OF VERIFICATION	Quarter 2		MEANS OF VERIFICATION	Quarter 3		MEANS OF VERIFICATION	Quarter 4		MEANS OF VERIFICATION	TOTAL BUDGET	MEANS OF VERIFICATION (POE)
4.47	Compilation of Monthly Reports in terms of Section 71 of the MFMA by 30 June 2027	Submission of Section 71 Reports within 10 Working days to the Mayor, and Treasuries	4.47.01. Number of compiled S71 reports in terms of MFMA by 30 June 2027	12	10	3	R0.00	Email Submission to the Mayor Proof of submission to Treasury/GoMun	3	R0.00	Email Submission to the Mayor Proof of submission to Treasury/GoMun	3	R0.00	Email Submission to the Mayor Proof of submission to Treasury/GoMun	3	R0.00	Email Submission to the Mayor Proof of submission to Treasury/GoMun	R0.00	Email Submission to the Mayor Proof of submission to Treasury/GoMun
4.47	Compilation of Quarterly Reports in terms of Section 52(d) of the MFMA by 30 June 2027	The municipality compiles with section 52 (d) of the MFMA. 4 quarterly reports submitted	4.47.02.1 Number of compiled S52 (d) reports in terms of section 52(d) of the MFMA by 30 June 2027	4	10	1	R0.00	Section 52(d) Report Council Resolution for noting of the report	1	R0.00	Section 52(d) Report Council Resolution for noting of the report	1	R0.00	Section 52(d) Report Council Resolution for noting of the report	1	R0.00	Section 52(d) Report Council Resolution for noting of the report	R0.00	Section 52(d) Report Council Resolution for noting of the report
4.47	Compilation of Mid-Term Report in terms of Section 72 of the MFMA by 28 February 2027	The municipality compiles with section 72 of the MFMA. 1 mid-term report submitted annually	4.47.03.1 Number of compiled S72 of the MFMA by 28 February 2027	1	10	N/A	R0.00	N/A	N/A	R0.00	N/A	1	R0.00	Mid Term (Section 72 Report) Attendance Register Minutes of the MM and AO Engagement	N/A	N/A	N/A	R0.00	Mid Term (Section 72 Report) Attendance Register Minutes of the MM and AO Engagement
4.47	Preparations and submission of the AFS submitted to Auditor General, National Treasury and Provincial Treasury by 31 August 2026	AFS for 2025/26 were submitted	4.47.01.1 Number AFS submitted to Auditor General, National Treasury and Provincial Treasury by 31 August 2026	1	10	1	R1 000 000	Acknowledgement letter from AG	N/A	R0.00	N/A	N/A	R0.00	N/A	N/A	N/A	N/A	R1 000 000.00	Acknowledgement letter from AG
4.16	Confirmation of Insurances for Municipal Assets by 30 June 2027	All Municipal assets were insured by 2025/26 financial year. Assets are Insured as they are procured	4.16.02.1 Number of Confirmation of Insurance for Municipal Assets by 30 June 2027	4	10	1	R5 500 000.00	Confirmation of insurance for all Municipal Assets.	1	R0.00	Confirmation of insurance for all Municipal Assets.	1	R0.00	Confirmation of insurance for all Municipal Assets.	1	R0.00	Confirmation of insurance for all Municipal Assets.	R5 500 000.00	Confirmation of insurance for all Municipal Assets.
4.07	Compilation of a GRAP compliant Municipal Asset Register by 30 June 2027.	A GRAP compliant FAR was submitted to AG for 2025-26 FY - with findings	4.07.19 Number of Compliant GRAP Asset Registers to be developed by 30 June 2027	1	20	1	R425 000.00	Updated AFR Monthly PPE Reconciliations	1	R 425 000.00	Updated AFR Monthly PPE Reconciliations	1	R425 000.00	Updated AFR Monthly PPE Reconciliations	1	R425 000.00	Updated AFR Monthly PPE Reconciliations	R1 700 000.00	Grap Compliant FAR, supporting the Compiled AFS
4.21	Servicing and maintaining of Fleet Management by 30 June 2027	Implementation of Fleet Management Policy during 2025-26 FY - Ensuring that the fleet is in good working condition always	4.21.70 Number of Fleet Management servicing and maintained by 30 June 2027	12	10	3	R500 000.00	Monthly reports on implementation of fleet management system	3	R 500 000.00	Monthly reports on implementation of fleet management system	3	R500 000.00	Monthly reports on implementation of fleet management system	3	R500 000.00	Monthly reports on implementation of fleet management system	R2 000 000.00	Monthly reports on implementation of fleet management system

DEPARTMENTAL: FINANCIAL SERVICES -GOOD GOVERNANCE AND PUBLIC PARTICIPATION

IDP No.	PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Weighting	Quarter 1		MEANS OF VERIFICATION	Quarter 2		MEANS OF VERIFICATION	Quarter 3		MEANS OF VERIFICATION	Quarter 4		MEANS OF VERIFICATION	TOTAL BUDGET	MEANS OF VERIFICATION (POE)
						Target	Budget		Target	Budget		Target	Budget		Target	Budget			
2.23	Review of BTO Policies by 31 May 2027	Policies reviewed and approved as at May 31, 2025	2.23.44 Number of times budget related policies are reviewed by 31 May 2027	1	10	N/A	R0.00	N/A	N/A	R0.00	N/A	N/A	R0.00	N/A	1	R0.00	Reviewed Policies Council resolution for the approval of policies	R0.00	Reviewed Policies Council resolution for the approval of policies

DEPARTMENTAL: FINANCIAL SERVICES

IDP No.	PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Weighting	Quarter 1		MEANS OF VERIFICATION	Quarter 2		MEANS OF VERIFICATION	Quarter 3		MEANS OF VERIFICATION	Quarter 4		MEANS OF VERIFICATION	TOTAL BUDGET	MEANS OF VERIFICATION (POE)
Municipal Institutional Development and Transformation																			
2.17	Signing of performance Plans of Practitioners and Admin Staff by 31 July 2026	PMS policy in place. Signed performance agreements in 2025/ 20256Y	2.17.02 Number of Practitioners with signed performance plans 31 July 2026	4	10	4	R0.00	Signed Performance Plans	NA	R0.00	N/A	N/A	R0.00	N/A	N/A	R0.00	N/A	R0.00	Signed Performance Plans

ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: **SIPHOSETHU JOJO**

JOB TITLE: **MANAGER: ASSETS, FLEET MANAGEMENT**

EMPLOYER: **INGQUZA HILL LOCAL MUNICIPALITY**

FINANCIAL YEAR: **2026/2027**

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	**Expected outcome**
Municipal Executives Management Programme	Advance Diploma in Accounting Science	S. Jojo	31/12/2027	To Enhance my career potential and be able to identify risks involved in my daily work.

ANNEXURE "C"

FINANCIAL DISCLOSURES

NA

APPENDIX 1

Commitment of Support Team reporting directly to the Manager : Assets, Fleet and Asset Management

We hereby make this commitment to support the **Manager Assets, Fleet and Management,** 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 **O. Nomdlembu**
   POSITION **Asset Management Officer**

2. **Signed by** _____
   NAME **F.J. Mafukula**
   POSITION **Fleet Management Offer**

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 Asset,Fleet and Management. 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: Asset, Fleet and Expenditure.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance agreement, the employer shall avail to the **Manager: Asset, Fleet and Management** 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: Asset, Fleet and Management** 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: Asset, Fleet and Management**

The employer reserves the right to take appropriate action to replace the **Manager: Asset, Fleet and Management** per employment contract.

2 OBLIGATIONS OF THE MANAGER: ASSET, FLEET AND MANAGEMENT

2.1. Conditions of service

The **Manager: Asset, Fleet and Management** shall report to the **Chief Financial Officer (CFO)**, subject to the conditions of service as stipulated by the employer. The conditions of service of the **Manager: Asset, Fleet and Management** shall include but not be restricted to:

2.1.1.1 Setting of specific of targets for staff reporting to him.

2.1.1.2 Advise **Chief Fianacial Officer** 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 Budget and Treasury Department 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 Corporate Services 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 **Chief Fiancial Officer** .

2.1.2 The **Manager: Asset, Fleet and Management** shall ensure that his staff have access and are well informed about the disciplinary procedure of the municipality.

2.1.3 Making recommendations to the **Chief Financial Officer** to hire staff in the Budget and treasury Department 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: Asset, Fleet and Management** 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: Asset, Fleet and Management** shall exercise all his skills, reasonable care, responsibility and diligence in discharge of his duties under this agreement. The **Manager: Asset, Fleet and Management** 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: Asset, Fleet and Management** 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 **Manager: Asset, Fleet and Management** undertakes to supervise personnel in his 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: Asset, Fleet and Management** 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 **Manager: Asset, Fleet and Management** 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: Asset, Fleet and Management** shall submit detailed monthly, quarterly, midterm and annual reports on the operation of the **Asset, Fleet and Management Division** to the **Chief Financial officer**. 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: Asset, Fleet and Management** also undertakes to submit any other report/s as required by the **Chief Financial Officer.**

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

The **Manager: Asset, Fleet and Management** shall assist the **Chief Financial Officer** 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.

2.7 Purchases

2.7.1 The **Manager: Asset, Fleet and Management** 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.

2.8 Books and Records

The **Manager: Asset, Fleet and Management** shall keep accurate books and records of all finance operations and shall permit the employer to inspect them and make copies where necessary.

2.9 Financial Procedures

2.9.1 Financial year shall commence on the 1st July 2026 and end on the 30th June 2027, such period defined as the financial year shall be

used for purposes of budgets, expenditures, cash flows and other operational requirements.

2.9.2 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.

2.9.3 The **Manager: Asset, Fleet and Management** must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

2.10 Budget

2.10.1 During the budget process the **Manager: Asset, Fleet and Management** shall make the necessary submissions to the **Chief Financial Officer** reflecting the projected financial needs of his department for the following financial year.

2.10.2 The approval of the departmental budget shall constitute the authority to the **Manager: Asset, Fleet and Management**.

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

2.11 Liability

The **Manager: Asset, Fleet and Management** shall be responsible towards the municipality for the Performance of services in accordance with the provisions of this contract, subject to the following limitation:

2.11.1 The **Manager: Asset, Fleet and Management** 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.