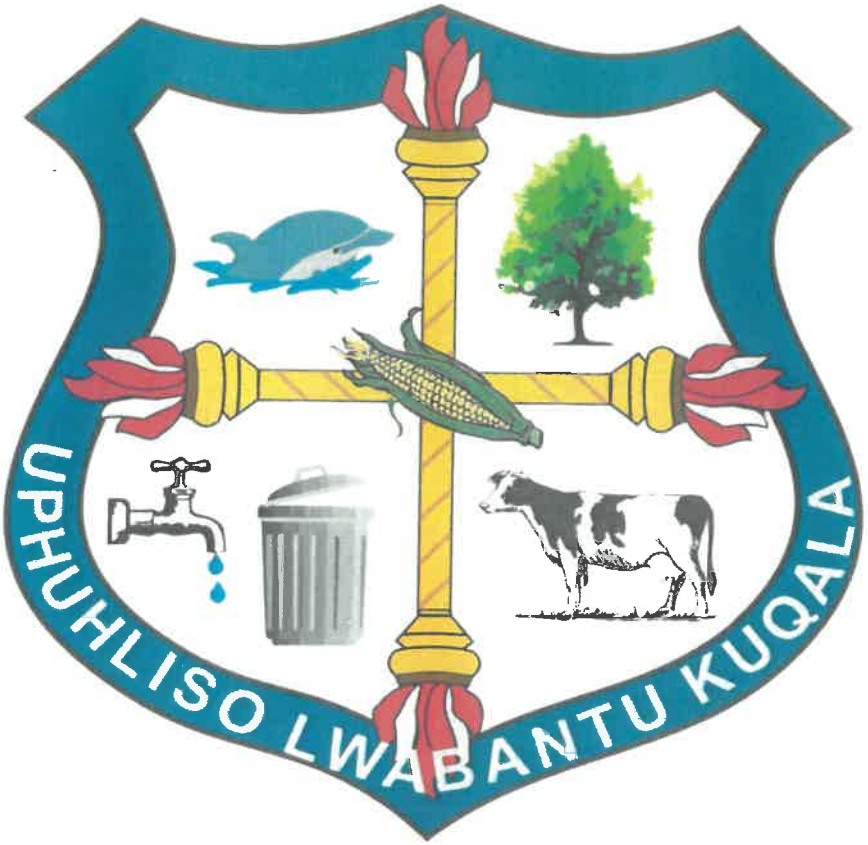

INGQUZA HILL
LOCAL MUNICIPALITY

PERFORMANCE AGREEMENT

made by and entered into between

Municipal Manager
(Velile Castro Makedama)

and

Manager: IDP and PMS
(Azabenokanyo Mvovo)

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: IDP and PMS** 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: 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 entered into between Andile Mosha, the **Manager: IDP and PMS**, and the **Municipal Manager** for the 2026/2027 financial year only. The performance expectations set out in this agreement are based on the 2026/2027 reviewed Integrated Development Plan and the 2026/2027 Service Delivery and Budget Implementation Plan. These documents have been adopted as the working documents of Ingquza Hill Local Municipality and will therefore serve as the basis for performance assessment.

2. STRATEGIC OBJECTIVE

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

PMS Practitioner: Z. Somtshazo

IDP Practitioner: T 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 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 provisions of this agreement, following receipt of a report on the Manager: IDP and PMS's achievement of the KPIs as reflected in this agreement.

Annexure A lists Key Performance Areas (KPAs). These will be evaluated on a straight-line basis. These performance areas will be worth 100%. The key performance indicators have different weightings, which are then converted by the adopted rating calculator into final weightings for assessment. Achievement of 95 to 100% shall be regarded as 100% bonus-warranting; above 80% to 94% shall be regarded as average and warranting 80% of the performance bonus; above 50% to 79% shall warrant 50% of the performance bonus; and below 50% shall require the employer to effect remedial measures, which may include an incapacity or disciplinary enquiry.

The above performance thresholds shall take effect only 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
2	Nov - 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 has maintained this across 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 standard 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 across almost all of the performance criteria and indicators 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 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 **Core Management Criteria** will make up the other 20% of the Employee's assessment scores.

4.3. 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	

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		X	
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			5
17	Competence in policy conceptualization, analysis and Implementation	Core Occupational Competencies	X	5
18	Knowledge of more than one functional municipal field/ Discipline			5
19	Skills in Mediation			5
20	Skills in Governance			5
21	Competence as required by other national line sector Departments			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 **Municipal Manager** or the monitoring and evaluation team with the measures being taken to ensure that his performance becomes satisfactory, and with any program, including any dates, for implementing these measures.

7. RULING LANGUAGE

The agreement is executed in the English language, which shall be the governing language. All correspondence between the parties to this contract and all reports and documents pertaining to this contract shall be in the English language.

8. TERM OF AGREEMENT

This Agreement shall be deemed to have been entered into on July 1, 2026, and will expire on June 30, 2027. The parties will conclude a new performance agreement that replaces this Agreement by July 1, 2027 This Agreement will terminate upon the termination of the Manager: IDP and PMS employment contract.

9. LIMITATIONS OF THE CONTRACT

This contract is an agreement between the employer and the Manager: IDP and PMS regarding the Manager: IDP and PMS's expected performance during the specified term. This contract is subject to the employment contract that the Manager: IDP and PMS entered into upon accepting his position and to South African legislation. In the event of any ambiguity, the employment contract shall prevail over this performance agreement. Nothing contained in this Agreement in any way limits the employer's right to terminate the Manager: IDP and PMS's 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:

- Head of Department,
- Senior Manager Corporate Services and
- Manager IDP & PMS
- Manager HR is the scriber

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

11. DISPUTE RESOLUTION

In the event of disputes that cannot be resolved through negotiation and mediation, the employee has the right to refer the case to the Municipal Manager, who must settle it within thirty (30) days of receipt of a formal written dispute. The Municipal Manager's decision 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: IDP and PMS** 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 this Friday of **24 July 2026**

MANAGER: IDP AND PMS

Signature: A Mvovo

Name Printed: A Mvovo

WITNESSES

1. **Signature:** _____ Name Printed: YAMKELA MKE

2. **Signature:** _____ Name Printed: NOCAWE HLOKOLO

FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY

MUNICIPAL MANAGER

Signature: _____

Name Printed: V.C. MAKGOAMA

WITNESSES

1. **Signature:** _____ Name Printed: A. Hlomo

2. **Signature:** _____ Name Printed: S. Ntoni

A.M V.C

ANNEXURE "A"

PERFORMANCE PLAN

The Key Performance Areas will make up 80% of the Employee's assessment score, and will contain the following areas, all of which 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
Municipal Transformation and Institutional Development	10
Local Economic Development	0
Financial Viability and Management	10
Good Governance and Public Participation	80
Total	100%

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N.C.

14. KEY PERFORMANCE AREAS (KPAS) FOR 2026/27

14.1. GOOD GOVERNANCE AND PUBLIC PARTICIPATION 80%

PROJECT	BASELINE	KEY PERFORMANCE AREA	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	BUDGET	MEANS OF VERIFICATION	WEIGTING
Preparation and submission of SDBIP to the Municipal Manager and management by end 30 June 2027	PMS Framework and Policy adopted by Council and reports submitted quarterly	5.02.01.1 Preparation and submission of the SDBIP to the Municipal Manager and Management by end of 30 June 2027	2	N/A	N/A	1	1	R0.00	Draft minutes and management attendance register	15
Tabling of institutional quarterly performance reports by 30 June 2027	PMS Policy adopted by Council and reports submitted quarterly	5.02.02.1 Number of institutional quarterly reports tabled to the Management by 30 June 2027	4	1	1	1	1	R0.00	Attendance register and draft management minutes	15
Tabling of reports to the Council by 30 June 2027	PMS Policy available and reporting timelines set	5.02.02.1 Number of reports to be tabled to Council 30 June 2027	11	3	1	5	2	R0.00	Attendance register and draft Council minutes	5
Compilation, verification, and	4 Circular 88 in-year	5.02.02.2 Number of Circular 88 in-	4	1	1	1	1	R0.00	Circular 88 quarterly report	10

A.M V.C.

submission of quarterly in-year performance reports in line with the SDBIP requirements and Circular 88 reporting framework by 30 June 2027 by June 2026	performance reports submitted during the 2025/2026 financial year	year performance reports compiled and submitted to Council within the prescribed timeframe by 30 June 2027.							and proof of submission to COGTA	
Sitting of IDP meetings by 30 June 2027	IDP Process Plan has been adopted by Council	5.45.47 Number of IDP meetings held by 30 June 2027	8	2	2	2	2	**R301 000.00**	Attendance Register and Draft Minutes of the meetings	**5**
Sitting of departmental strategic planning sessions by 31 December 2026	IDP Process Plan has been adopted by Council	5.34.06 Number of Departmental Strategic Planning Sessions to be held by 31 December 2026	6	N/A	6	N/A	N/A	**R225 000.00**	Attendance Register and Draft Minutes of the meetings	**5**
Sitting of the Institutional strategic planning session by 31 March 2027	IDP Process Plan has been adopted by Council	5.34.07 Number of Institutional Strategic Planning Sessions to be held by 31 March 2027	1	N/A	N/A	1	N/A	**R4 000 000,00**	Attendance register, Report and Resolutions	**15**

A.M. N.C.

Mayoral Campaign: IDP & Budget Roasdshow held by 30 June 2027	Public Participation Policy	5.15.25 Number of Mayoral Campaigns: IDP and Budget Roadshows held by 30 June 2027	1	N/A	N/A	N/A	1		Community inputs	**5**
Implementation of the approved Risk Management plan for 2026/27 financial year by 30 June 2027.	Approved risk management implementation plan for 2025/26 financial year.	5.04.01.1 Number of Risk Management Activities conducted as per approved Risk Management implementation plan by 30 June 2027	6	1	1	2	2		Progress report as per the activities in the approved operational risk management plan	**5**

14.2. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT 10%

PROJECT	BASELINE	KEY PERFORMANCE AREA	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	BUDGET	MEANS OF VERIFICATION	WEIGTING
signing of performance agreement Practitioners & Admn Staff by	PMS policy in place. Signed performance agreements in 2025/2026	2.17.02 Number of signed performance agreements signed by practioners and admin staff by 31 July 2026	**3**	3	**N/A**	**N/A**	**N/A**	**R0.00**	Signed performance plans by practioner and admin staff	**5**

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31 July 2026	FY									
Sitting of performance assessments for senior and middle managers by June 2027	PMS policy in place. Signed performance agreements in 2025/2026 FY	2.17.03 Number of formal performance assesment conducted for middle managers 31 March 2027	2	N/A	1	N/A	1	N/A	Attendance register and signed report	5

14.3. Finacial Viability 10%

PROJECT	BASELINE	KEY PERFOMANCE AREA	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	BUDGET	MEANS OF VERIFICATION	WEIGTING
Implementation of the IHLM procurement plan activities submitted to the SCM by June 2026	2024/25 Procurement Plan Compiled and implemented	4.6.1.2. Percentage implementation of procurement plan activities submitted to the SCM by June 2026	4	1	1	1	1	R0.00	Report on the implementation of the procurement plan	10

A.M. V.C.

ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: **A MVOVO**

JOB TITLE: **MANAGER: IDP AND PMS: MUNICIPAL MANAGER'S OFFICE**

EMPLOYER: **INGQUZA HILL LOCAL MUNICIPALITY**

FINANCIAL YEAR: **2026/2027**

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
Municipal Executives Management Program	Attend the final modules of the CPMD program to enhance knowledge and understanding of the Management functions in terms of Reporting, Compliance requirements, financial planning and management, and obligations.	M.MATUBATUBA	30 November 2026	Achievement of the minimum competency requirement for management level and financial officials in terms of the prescription of the regulations.
Administration Performance Management System Development	Registering for the Post Graduate qualification for the Public Administration in Performance Management	A Mvovo	30/06/2027	Achieving the minimum competency requirements as a Manager responsible for IDP and PMS

A.M V.C.

ANNEXURE "C"

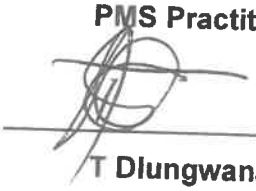
FINANCIAL DISCLOSURES

APPENDIX 1

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

We hereby commit to supporting the Manager, IDP and PMS, A Mvovo, in achieving the targets 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 **Z. Somtshazo**
   POSITION **PMS Practitioner**

2. **Signed by** 
   NAME **T Dlungwana**
   POSITION **IDP Practitioner**

APPENDIX 2

1. **OBLIGATIONS OF THE EMPLOYER (KEY ASSUMPTIONS)**

1.1 Office Accommodation

During the entire term of the performance agreement, the employer shall provide adequate office accommodation for the Acting Manager, Human Resources. The occupational cost, including the attendant ground rent obligations, will be borne by the Employer.

1.2 Personnel

A.M. V.C.

The Employer shall be required to hire support staff who report directly to the Acting Manager, Human Resources.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance agreement, the employer shall make available 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) weeks of receipt of the items.

1.4.2 Tasks to the Employer

The employer undertakes to perform all crucial activities that fall under his responsibility as required by this contract to ensure the continuity of departmental operations. If there is a failure on the employer's part and the Manager: IDP and PMS feels that the attainment of this contract's targets 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 the employment contract.

2 OBLIGATIONS OF THE MANAGER: IDP AND 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 targets for staff 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 Assist in setting and monitoring performance indicators for the Municipal Manager's Office Department and execute corrective measures as and when necessary.

A.M. V.C

2.1.1.4 Assist in ensuring that the departmental assets are in 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's Office staff where necessary.

2.1.1.7 Assist in the preparation of the annual budget and, once approved, adhere to it.

2.1.1.8 Assist in implementing strategies to improve the morale of staff.

2.1.1.9 Attend 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 his 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 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: 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

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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 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: IDP and PMS** undertakes to supervise personnel in his division. If he is dissatisfied with the performance of any staff, provisions of the relevant internal policy and legislative framework of the RSA shall apply.

2.4 Targets and Milestones

2.4.1 The **Manager: IDP and PMS** 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: 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 5.1 The **Manager: IDP and PMS** shall submit detailed monthly, quarterly, midterm, and annual reports on the operation of the IDP and PMS to the Municipal Manager. The reports shall include details of the achievement of targets and milestones for that quarter for information purposes, including a portfolio of evidence. The quarterly report should reach the employer within one month after the quarter in question has lapsed.d.

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

2.6 Expenditure

A.M. V.C.

The **Manager: IDP and PMS** shall be responsible for implementing the approved operational and capital budgets for the IDP and PMS of the Municipal Manager's Office 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 The 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.

2.10.2 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.

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2.10.3 The **Manager: IDP and PMS** ensures strict adherence to 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 unforeseen conditions necessary for the success of this performance agreement. If either party discovers such circumstances during the course of this agreement, the matter shall be brought to the attention of the other party in writing. A meeting, the timing of which shall be mutually agreed upon, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to this contract.

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