



## **PERFORMANCE AGREEMENT 2022/2023**

Musina Municipality herein represented by

**TSHIWANAMMBI THOVHEDZO NATHANIEL**

in his capacity as the Mayor (hereinafter referred to as the Employer or Supervisor)

and

**NEPHAWE LIVHUANI THOMAS,**

employee of the Municipality (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

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- 3.3 The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than one month after the beginning of each successive financial year
- 3.4 This Agreement will automatically terminate on termination of the Employee's contract of employment for any reason
- 3.5 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon
- 3.6 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or Council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised

#### **4. Performance Objectives**

- 4.1. The Performance Plan (Annexure A) sets out-
  - 4.1.1. Key Performance Areas that the employee should focus on
  - 4.1.2. Core competencies required from employees
  - 4.1.3. The performance objectives, key performance indicators, projects and targets that must be met by the Employee
  - 4.1.4. The time frames within which those performance objectives and targets must be met
- 4.2. The performance objectives, key performance indicators and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include strategic objectives; key performance indicators, targets, projects and activities that may include dates and weightings. A description of these elements follows:
  - 4.2.1. The strategic objectives describe the strategic intent of the organisation that needs to be achieved
  - 4.2.2. The performance indicators provide the measurement on how a strategic objective needs to be achieved
  - 4.2.3. The target dates describe the timeframe in which the work must be achieved
  - 4.2.4. The weightings show the relative importance of the key performance areas, key objectives, key performance indicators to each other
  - 4.2.5. The activities are the actions to be achieved within a project

#### **5. Performance Management System**

- 5.1. The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer
- 5.2. The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required

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COMPETENCES	
Leading Competencies	Weights
Strategic Capability and Leadership	5
Programme and Project Management	10
Financial Management(compulsory)	10
Change Management	5
Knowledge Management	5
Service Delivery Innovation	10
Problem Solving and Analysis	5
People Management and Empowerment(compulsory)	10
Client Orientation and Customer Focus(compulsory)	15
Core Competencies:	
Interpretation of and implementation within the legislative and national policy frameworks	5
Knowledge of developmental local government	5
Knowledge of more than one functional municipal field/discipline	5
Competence as required by other national line sector Departments	5
Exceptional and dynamic creativity to improve the functioning of the municipality	5

## 6. Evaluating Performance

6.1. The Performance Plan (Annexure A) to this Agreement sets out:

6.1.1. The standards and procedures for evaluating the Employee's performance

6.1.2. The intervals for the evaluation of the Employee's performance

6.2. Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force

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The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:				
5	4	3	2	1
<b>Outstanding Performance</b>	<b>Performance Significantly Above Expectations</b>	<b>Fully Effective</b>	<b>Not Fully Effective</b>	<b>Unacceptable Performance</b>
Performance far exceeds the standard expected of an employee at this level.	Performance is significantly higher than the standard expected in the job.	Performance fully meets the standards expected in all areas of the job.	Performance is below the standard required for the job in key areas.	Performance does not meet the standard expected for the job.

6.7. For purposes of evaluating the annual performance of the Director, an evaluation panel constituted of the following persons must be established –

- 6.7.1. Municipal Manager
- 6.7.2. Chairperson of the Performance Audit Committee or a member of the Performance Audit Committee in the absence of the Chairperson of the Performance Audit Committee;
- 6.7.3. Member of the Executive Committee
- 6.7.4. Mayor or municipal manager from another municipality; and
- 6.7.5. The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

## 7. Schedule for Performance Reviews

- 7.1. The performance of each Employee in relation to his Performance Agreement shall be reviewed after the quarter has ended with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:
  - First quarter: July – September 2022
  - Second quarter: October – December 2022
  - Third quarter: January – March 2023
  - Fourth quarter: April – June 2023

7.2. The Employer shall keep a record of the mid-year review and annual assessment meetings

7.3. Performance feedback shall be based on the Employer's assessment of the Employee's performance

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## **11. Management of Evaluation Outcomes**

- 11.1. The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2. A performance bonus of between 5% to 14% of the all-inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

% Rating Over Performance %	% Rating Over Performance % Bonus
130 - 133	5%
134 - 137	6%
138 - 142	7%
143 - 146	8%
147 - 149	9%
150 - 154	10%
155 - 159	11%
160 - 164	12%
165 - 169	13%
179 & above	14%

- 11.3. In the case of unacceptable performance, the Employer shall:
- 11.4. Provide systematic remedial or developmental support to assist the Employee to improve his performance
- 11.5. After appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his duties

## **12. Dispute Resolution**

- 12.1. Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated by:

12.1.1 In the case of the Municipal Manager, the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and

12.1.2 In the case of Managers directly accountable to the Municipal Managers, the executive Mayor or Mayor within thirty (30) days of receipt of a formal dispute from the employee, whose decision shall be final and binding on both parties.

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## PERSONAL DEVELOPMENT PLAN

2022/2023

Musina Municipality herein represented by

TSHIWANAMMBI NATHANIEL THOVHEDZO,

in his capacity as the Municipal Manager (hereinafter referred to as the Employer or Supervisor)

and

NEPHAWE LIVHUANI THOMAS,

employee of the Municipality (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

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3.1. Column 1: Skills/Performance GAP.

1. Skills /Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and / or development activity	4.Suggested mode Of delivery	5.Suggested Time Frames	6. Work opportunity created to practice skill / development area	7.Support Person
E.g. 1. Appraise Performance of Managers	2. <i>The municipal manager will be able to enter into performance agreements with the Senior managers reporting to him / her, appraise them against set criteria, within relevant time frames</i>	3.Suggested training and / or development activity	4.Suggested mode of delivery	5.Suggested Time Frames	6. Work opportunity created to practice skill / development	7.Support Person

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### 3.4. Column 5: Suggested Time Lines

1. Skills /Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and / or development activity	4.Suggested mode Of delivery	5.Suggested Time Frames	6. Work opportunity Created to practice skill / Development area	7.Support Person

An employee should on average receive at least five days of training per financial year and not unnecessarily be withdrawn from training interventions. The suggested time frames enable managers to effectively plan for the annum e.g. so that not all their employees are away from work within the same period and also ensuring that the PDP is implemented systematically.

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**3.5. Column 6: Work opportunity created to practice skill /development area**

1. Skills /Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3.Suggested training and / or development activity	4.Suggested made Of delivery	5.Suggested Time Frames	6. Work opportunity Created to practice skill / Development area	7.Support Person

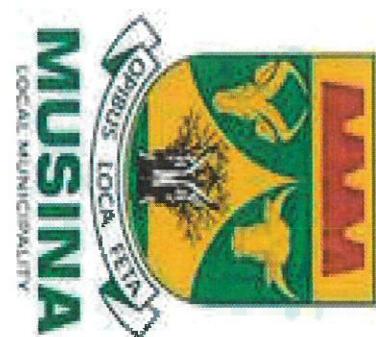
This further ensures internalisation of information gained as well as return on investment (not just a nice to have skill but a necessary to have skill that is used in the workplace).

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1. Skills /Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested training and / or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill /development area	7. Support Person
E.g. 1. Appraise Performance of Managers	<i>The Senior manager will be able to enter into performance agreements with all managers reporting to him /her, appraise them against set criteria, within relevant time frames</i>	3. Suggested training and / or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill /development area	7. Support Person

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MUSINA LOCAL MUNICIPALITY



PERFORMANCE PLAN

CHIEF FINANCIAL OFFICER: NEPHAWE LT  
2022/23

## 1. LEGISLATION

The following legislation governs the development of the SDBIP and Performance management plan and functions within the Budget and Treasury Office.

### a. Legislation Governing the Development of the SDBIP and Performance Contracts of Section 57 Managers

- Municipal Finance Management Act 56 of 2003 (MFMA), requires municipalities to develop Service Delivery and Budget Implementation Plan (SDBIP) and must be signed by the Mayor within 28 days after the budget has been approved.
- Municipal Systems Act 32 of 2000, requires municipalities to develop Performance management plan that must be reviewed quarterly. The performance management plan must be aligned to the IDP and indicate measurable and realistic targets for each Key Performance Indicator.
- Performance Regulations, 2006, for managers reporting to the municipal manager and the municipal manager, outlines the process of the development of Performance agreements. The MFMA, 56 of 2003, further requires that Section 56 manager and municipal manager must develop performance agreement that must be signed by the municipal manager and the Mayor respectively. This Performance plans must be linked to the SDBIP, IDP and Budget.

### b. Legislation Governing the departmental Functions:

- The Constitution
- The Municipal System Act, 32 of 2000
- The Municipal Structures Act
- Municipal Finance Management Act 56 of 2003
- Performance regulations of 2006

### 3. STRATEGIC OBJECTIVES

Chapter two of the IDP indicates Municipal Strategic Objectives which further indicates what the municipality needs to achieve. These strategic objectives were developed to ensure that all National Key Performance Areas are addressed.

Table A: Strategic Objectives are as follows:

KPAs	STRATEGIC OBJECTIVES
1. Municipal Transformation and Organisational Development	Improved governance and administration
2. Spatial Rationale	Integrated spatial and human settlement
3. Basic Service Delivery and Infrastructure Development	Improved access to sustainable basic services and Promote community well-being and environmental welfare
4. Local Economic Development	Integrated Local economy
5. Municipal Finance Management and Viability	Sound Financial Management and Viability
6. Good Governance and Public Participation	Improved governance and administration and Effective Community Participation

KPI ID	Number of monthly billings conducted							
DEPARTMENT / VOTE	Finance							
FUNCTION / DIVISION	Revenue							
SUB-FUNCTION / PROGRAMME	Revenue							
INDICATOR RESPONSIBILITY (OWNER)	CFO							
INDICATOR TITLE	BASELINE	TARGET Q1 (JUL - SEPT)	TARGET Q2 (OCT - DEC)	TARGET Q3 (JAN - MAR)	TARGET Q4 (APR - JUN)	ANNUAL TARGET 2022-2023	2022/2023 BUDGET	BUDGET 2023-2024
NUMBER OF MONTHLY BILLINGS CONDUCTED	12	3	3	3	3	12	Opex	Opex
KPI ID	unbundling/impairment of infrastructure assets							
DEPARTMENT / VOTE	Finance							
FUNCTION / DIVISION	Assets							
SUB-FUNCTION / PROGRAMME	Assets							
INDICATOR RESPONSIBILITY (OWNER)	CFO							
INDICATOR TITLE	BASELINE	TARGET Q1 (JUL - SEPT)	TARGET Q2 (OCT - DEC)	TARGET Q3 (JAN - MAR)	TARGET Q4 (APR - JUN)	ANNUAL TARGET 2022-2023	2022/2023 BUDGET	BUDGET 2023-2024
UNBUNDLING/IMPAIRMENT OF INFRASTRUCTURE ASSETS	1	Not Applicable	Not Applicable	Not Applicable	1	1	R1M	R1.2 M
KPI ID	Awarding of tenders within 90 days of the closure of tender submissions of bids evaluated, adjudicated.							
DEPARTMENT / VOTE	Finance							
FUNCTION / DIVISION	SCM and Assets							
SUB-FUNCTION / PROGRAMME	SCM							
INDICATOR RESPONSIBILITY (OWNER)	CFO							
INDICATOR TITLE	BASELINE	TARGET Q1 (JUL - SEPT)	TARGET Q2 (OCT - DEC)	TARGET Q3 (JAN - MAR)	TARGET Q4 (APR - JUN)	ANNUAL TARGET 2022-2023	2022/2023 BUDGET	BUDGET 2023-2024
AWARDING OF TENDERS WITHIN 90 DAYS OF THE CLOSURE OF TENDER SUBMISSIONS OF BIDS EVALUATED, ADJUDICATED.	100%	100%	100%	100%	100%	100%	Opex	Opex
PRIORITY/FOCUS AREA: FINANCIAL MANAGEMENT								
KPI ID	Number of GRAP compliant annual financial statements produced							
DEPARTMENT / VOTE	Finance							
FUNCTION / DIVISION	Financial management							
SUB-FUNCTION / PROGRAMME	Financial management							
INDICATOR RESPONSIBILITY (OWNER)	CFO							
INDICATOR TITLE	BASELINE	TARGET Q1 (JUL - SEPT)	TARGET Q2 (OCT - DEC)	TARGET Q3 (JAN - MAR)	TARGET Q4 (APR - JUN)	ANNUAL TARGET 2022-2023	2022/2023 BUDGET	BUDGET 2023-2024
NUMBER OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENTS PRODUCED	1	1	Not Applicable	Not Applicable	Not Applicable	1	Opex	Opex

## 7. PERFORMANCE WEIGHTINGS PER KEY PERFORMANCE AREAS

The criterion upon which the performance of the employee must be assessed consists of 2 components both of which must be contained in the performance agreement.

The employee will be assessed against both components, with a weight of 80:20 allocated to the Key Performance Areas (KPIAs) and the Core Competency Requirements (CCRs), respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KPIAs covering the main areas of work will account for 80% and CCR will account for 20% of final assessment

### 8. Table B: WEIGHTING ON KPIAS

KEY PERFORMANCE AREAS	WEIGHT
Municipal Transformation and Organizational Development	0%
Spatial Rationale	0%
Basic Service Delivery & Infrastructure Development	0%
Local Economic Development	0%
Municipal Financial Management and Viability	
Good Governance & Public Participation	
<b>TOTAL WEIGHTING</b>	<b>100%</b>

## 10. PERFORMANCE EVALUATION

Performance evaluation will be done in line with section 23(c) of the Performance Regulation of 2006: Performance Regulation of Managers Reporting to the Municipal Manager and the Municipal Manager.

## 11. PERFORMANCE ASSESSMENT

Score	Definition
Outstanding Performance	5 Performance far exceeds the standard expected of an employee at this level. The 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.
Performance Significantly Above Expectations	4 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.
Fully Effective	3 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 indicators as specified in the PA and Performance Plan.
Not Fully Effective	2 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.
Unacceptable Performance	1 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. 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.

## 12. PERSONAL DEVELOPMENT PLANS (PDP)

Section 29 of the Performance Regulation of 2006, requires that managers must develop personal Development Plan that must address all gaps and this plan must be part of the performance agreement.

This performance is signed in line with the Municipal Finance Management Act 56 of 2003. All s57 Managers are required performance plan and sign performance agreements with the accounting officer.

This performance plan serves as an Annexure to the signed Performance Agreement.

### 12. SIGNATURES

DATE: 15/07/2022

  
*Deniphane*

CHIEF FINANCIAL OFFICER

NEPHANE LT

DATE: 15/07/2022

  
*Municipal Manager*

MUNICIPAL MANAGER

TSHWANAMMBI TN



## MUSINA LOCAL MUNICIPALITY

**CONFIDENTIAL**

### FINANCIAL DISCLOSURE FORM (2022/2023)

I, the undersigned (surname and initials) NEPHAWE LIVITUANI THOMAS

(Postal address) P.O. Box 3990

MAKHADO 0920

(Residential address) 30 FLAMBOYANT STREET, MAKHADO, 0920

(Position held) CHIEF FINANCIAL OFFICER

(Name of Municipality)

MUSINA LOCAL MUNICIPALITY

Tel: 015 534 6100 EMAIL: thomasn@musina.gov.za

hereby certify that the following information is complete and correct to the best of my knowledge:

**1. Shares and other financial interests (Not bank accounts with financial institutions.)**

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
<u>N/A</u>			

**2. Directorships and partnership**

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration/ Income
<u>N/A</u>		

**3. Remunerated work outside the Municipality**  
Must be sanctioned by Council.

Name of Employer	Type of Work	Amount of remuneration/ Income
<u>N/A</u>		

Council resolution number \_\_\_\_\_

Signature Municipal Manager \_\_\_\_\_

Date \_\_\_\_\_

## 4. Consultancies and retainerships

Name of client	Nature	Type of business activity	Value of any benefits received
N/A			

## 5. Sponsorships

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship
N/A		

## 6. Gifts and hospitality from a source other than a family member

Description	Value	Source
N/A		

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## 7. Land and property

Description	Extent	Area	Value

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SIGNATURE OF OFFICIAL

SIGNATURE OF DEPARTMENTAL MANAGER

DATE: 29/07/2022PLACE: MUSINA